

People. Experience. Motion.

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This report has been prepared in the Kazakh, Russian and English languages. In the event of any discrepancies, the Russian-language version of the report shall prevail.

Statement of the General director

Dear partners, colleagues and friends!

2025 will hold special significance in the history of Kazchrome. The company celebrated its 30th anniversary—a milestone marked by decades of development, large-scale production projects, strong labor traditions, and the hard work of several generations of metallurgists and miners.

At the same time, this anniversary year presented the company with serious production challenges, large-scale projects, and a period of transformation. We have focused particularly on the efficiency of internal processes, safety, improving product quality, equipment reliability, and the sustainable development of our enterprises.

Nowadays, the industry demands not only high production performance but also the ability to adapt quickly to change, adopt state-of-the-art technologies, and work as a single team. This is of fundamental importance for Kazchrome. The company's results depend on the daily work of thousands of people—miners, metallurgists, power engineers, maintenance personnel, engineers, safety specialists, and production staff. We have continued to seek solutions that increase production efficiency, reduce losses, and improve coordination between departments.

The development and ramp-up to design capacity of Bolashak Mine, part of Donskoy Ore Mining and Processing Plant, launched at the end of 2024, has become one of the key areas of focus. This is a strategically important project not only for Kazchrome but also for the entire mining industry of the country. Years of preparation, highly complex engineering and technical solutions, and the tremendous hard work of the team have made the launch of the mine possible.

At the same time, the development of the new deposit is accompanied by significant technological challenges. One of these challenges is the release of natural hydrogen from fault lines and, to some extent, from ore body during the initial stages of mining operations, as well as sporadic cases of uncontrolled ignition. Research conducted by domestic and foreign scientific institutions has confirmed that hydrogen release is of a natural (geological) nature and is associated with the features of the rock mass being exposed during ore mining.

Under these circumstances, the team of Donskoy GOK and ERG as a whole faced the challenge to promptly ensure continued safe operations and identify effective technical solutions to implement mining operations. We engaged leading domestic and international research institutes and engineering companies in this effort. Together with these experts, we conducted extensive research and engineering work and implemented various organizational and technical activities to monitor the mine environment in real time and to ensure safe mining operations.



> The company's results depend on the daily work of thousandsof people—miners, metallurgists, power engineers, maintenance personnel, engineers, safety specialists, and production staff.

Together with these experts, we conducted extensive research and engineering work and implemented various organizational and technical activities to monitor the mine environment in real time and to ensure safe mining operations.

Currently, Bolashak Mine is in normal operation and continues to progress toward its design capacity in phases. This experience has served as an example of the team's professionalism, responsibility, and ability to work effectively despite non-standard operational challenges.

In 2025, the Company continued its systematic efforts to modernize production processes and improve plant efficiency. Development of the beneficiation process became one of the key areas of focus. As part of the ERG Green environmental program, a flotation unit was launched at Donskoy GOK. The implementation of this project is of strategic importance across several directions. The new processing area will strengthen the raw material base for Ferroalloys Plants, improve resource utilization efficiency, and reduce waste accumulation. This is not only a production project but also an important environmental initiative that will gradually release significant areas currently used for production waste storage.

Another important step was to start construction of the first utilization power plant in Kazakhstan on the premises of Aktobe Ferroalloys Plant. This project will enable more efficient use of production resources, improve energy efficiency, and reduce the environmental impact.

Despite a certain shortage of basic raw materials, the Company maintained stable high product quality and came as close as possible to the record production indicators in 2025, producing 1,835,000 metric tons of ferroalloys. This result confirmed the professionalism of the teams, stability of production processes, and the ability of the enterprises to operate effectively even under challenging conditions.

Throughout this period, the Company continued to prioritize occupational health and safety. Unfortunately, 2025 was marred by three workplace fatalities. This was grievous loss for the entire company and a hard lesson that reminded us once again: no production results can be more important than human life. After each incident, a detailed analysis of the causes was conducted, work organization approaches were reviewed, and compliance with safety requirements was more strictly monitored.

Along with its operational objectives, the company continued to implement social initiatives and support development in the regions of its operations. The new cultural and recreational center was built and opened in Khromtau—a modern space for the city's residents that has become important part of the region's social infrastructure.

Particular attention was paid to education and staff training. Donskoy GOK and Aksu Ferroalloys Plant were acknowledged as the best partners in the field of staff training, a result of systematic collaboration with colleges, educational institutions, and young people.

In 2025, the company also implemented projects to modernize two schools in the cities of operation—Aksu and Khromtau. Creating modern and comfortable conditions for children's education remains one of the priorities of Kazchrome social policy.

The work of the Company in the field of social partnership was also highly evaluated. TNC Kazchrome JSC became the winner of the international "Best Social Partner" competition among primary organizations of the Council of Trade Unions of Central Asian Countries.

This recognition is the result of years of dedicated work to create decent working conditions for employees and active support for local communities. Two enterprises of Kazchrome are key employers in their respective cities, and we are fully aware of our role in the development of the regions of operation. This victory confirms once again the Company's commitment to the principles of social responsibility and sustainable development, which remain key priorities for ERG.

Despite all the difficulties and challenges, 2025 demonstrated one key point: the strength of Kazchrome lies in its people. It is precisely their professionalism, sense of responsibility, willingness to work as a team, and drive for growth that enable the Company to implement large-scale projects, maintain its leadership position in the industry, and look confidently toward the future.



Sergey Prokopyev
General Director of TNC Kazchrome JSC

About the company

- General description
- Business model
- Financial results

TNC Kazchrome JSC is the world's largest producer of high-carbon ferrochrome, with a diversified and reliable customer base around the world and strong infrastructure and logistics capabilities.

Our vision

An international, sustainable, socially responsible, and effective company in the natural resources sector.

Our Mission

To be the best at what we do.

To develop alongside the world and remain true to our values.

We carefully unlock the potential of the Earth and humanity to ensure the prosperity of those who rely on us.

Our values

- Unity
- Safety
- Responsibility
- Development
- Efficiency

Key indicators for 2025

OPERATING INDICATORS

6,134 thousand tons
Chromium ore mining

1,835 thousand tons
Ferroalloy production

1,619 thousand tons
Ferroalloy sales volume

Financial indicators

KZT 339 billion
EBITDA

KZT 1,023 billion
Revenue

KZT 161 billion
Capital expenditures

Sustainable development indicators

4,036 thousand tons
CO_2 Emissions

1.23
Lost-Time Injury Frequency Rate (LTIFR)

24.3 mln. m3
Water Consumption

General description

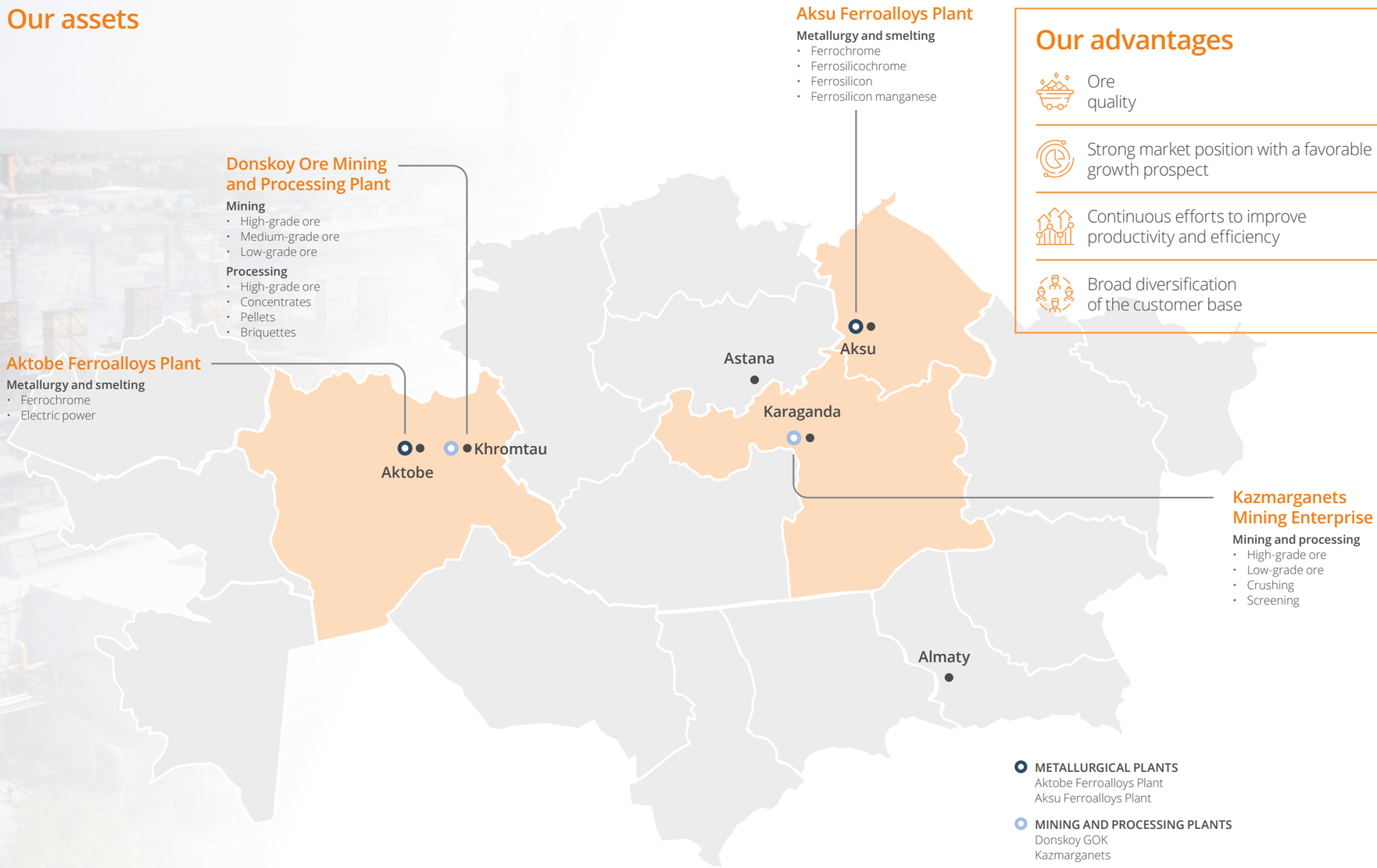
Transnational Company Kazchrome JSC and its subsidiaries (hereinafter referred to as “Kazchrome” or the “Company”, or “TNC Kazchrome JSC”) is one of the largest mining and metallurgical complexes in Kazakhstan, encompassing the entire production cycle: from geological exploration and chromium ore mining to its processing and high value-added ferroalloy production.

The company was founded in 1995 and is now one of the world’s leading producers of chromite ore and ferroalloys. Kazchrome competitive advantages include its unique mineral resource base, the scale of its production capacity, and one of the lowest production costs in the industry.

The company’s products are supplied to the world’s largest stainless steel producers. Its supply network covers China, Japan, South Korea, European countries, the CIS, and the United States. A diversified customer base and the strategic location of its facilities enable the company to maintain a strong position in the international market.

Kazchrome is part of ERG. The major shareholder of TNC Kazchrome JSC is KCR Metals FZCO, which owns 99.34% of the total number of outstanding shares.

Our assets



Our advantages

- Ore quality
- Strong market position with a favorable growth prospect
- Continuous efforts to improve productivity and efficiency
- Broad diversification of the customer base

Business model

Kazchrome holds a leading position in the global market for chromium ore and ferroalloys and is the world's largest producer of ferrochrome in terms of chromium content in its products.

The company has established a complete production cycle—from mining and processing chromium and manganese ore to production of high-carbon, medium-carbon, and silicomanganese ferroalloys.

Kazchrome's operation assets are located in Kazakhstan and are among the largest mining and metallurgical enterprises in the world. The structure of the Company includes Donskoy Ore Mining and Processing Plant (hereinafter - "Donskoy GOK"), Aktobe Ferroalloys Plant, Aksu Ferroalloys Plant, Kazmarganets Mining Enterprise (hereinafter - "Kazmarganets ME") and Power Plant and Heating Plant.

The integrated nature of the Company's operations allows it to use synergies in its value chain and maintain a highly sustainable business. The in-house power plant — a subsidiary of TNC Kazchrome JSC — which runs on natural gas, meets approximately 27% of Aktobe Ferroalloys Plant's electricity needs, while ERG's subsidiaries provide the remaining power for Aktobe Ferroalloys Plant and all the power required for Aksu Ferroalloys Plant.

ERG Group companies also provide transportation of chromium products and manganese ore between production facilities, perform maintenance works, and supply coal and special coke, which are used as reducing agents in the production of ferroalloys.

Our advantages

Ore quality

- Kazchrome is the global leader in the chromium market thanks to its unique ore deposits with high chromium content and reserves sufficient for several decades at current production rates.

Strong market position with a favorable growth prospect

- The continued growth of the stainless steel market, driven primarily by the global megatrend of improving the quality of life of the world's population, provides opportunities for the development of ferroalloy production.
- Kazchrome's well-developed customer base allows it to hold leading positions in premium segments.

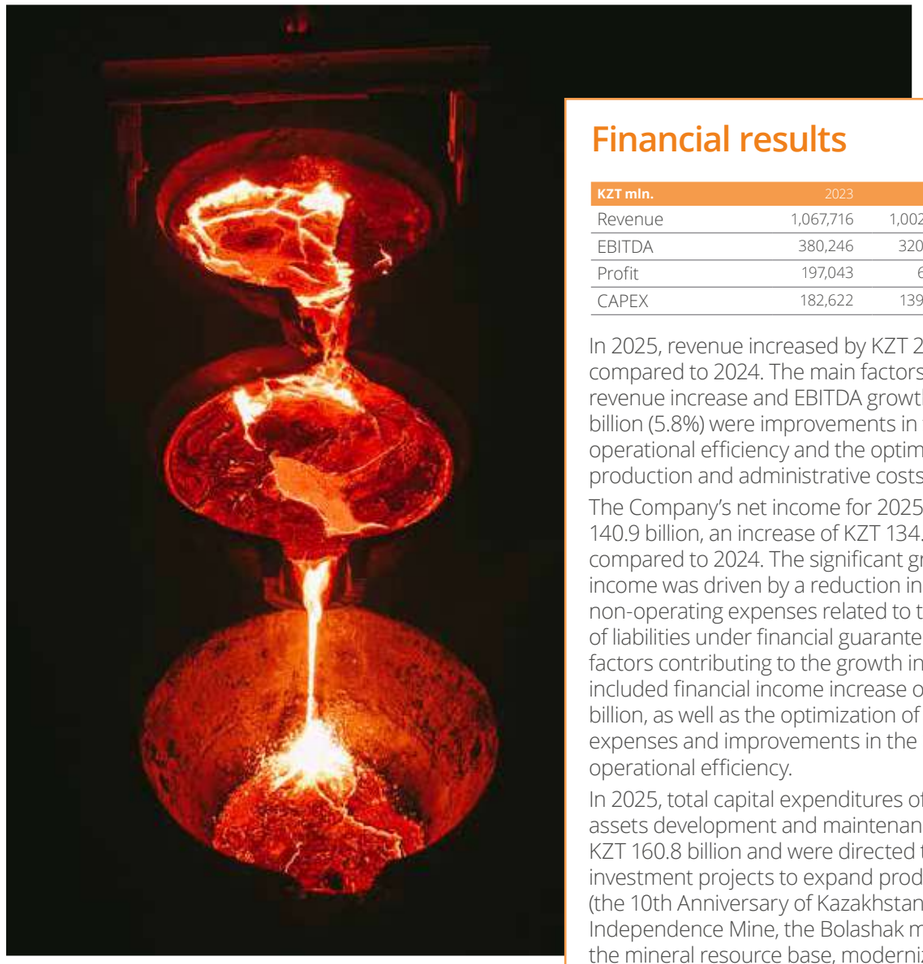
Ongoing efforts to improve productivity and efficiency

- The projects to expand production capacity and increase metal recovery at all stages of the value chain will allow Kazchrome to increase production volumes and take a leading position in terms of ferroalloy production and supply among global producers.
- Kazchrome's integration into ERG ensures a stable supply of materials, including energy resources and reducing agents for production, through its own infrastructure and logistics.

The broad diversification of the customer base has significantly mitigated the negative impact of sanctions restrictions on Russian companies.



Business model (continued)



Financial results

KZT mln.	2023	2024	2025
Revenue	1,067,716	1,002,519	**1,022,563**
EBITDA	380,246	320,058	**338,499**
Profit	197,043	6,165	**140,889**
CAPEX	182,622	139,568	**160,793**

In 2025, revenue increased by KZT 20.0 billion (2.0%) compared to 2024. The main factors driving revenue increase and EBITDA growth of KZT 18.4 billion (5.8%) were improvements in the Company's operational efficiency and the optimization of production and administrative costs.

The Company's net income for 2025 totaled KZT 140.9 billion, an increase of KZT 134.7 billion compared to 2024. The significant growth in net income was driven by a reduction in the impact of non-operating expenses related to the recognition of liabilities under financial guarantees. Additional factors contributing to the growth in net profit included financial income increase of KZT 19.7 billion, as well as the optimization of administrative expenses and improvements in the Company's operational efficiency.

In 2025, total capital expenditures of Kazchrome for assets development and maintenance amounted to KZT 160.8 billion and were directed toward investment projects to expand production capacity (the 10th Anniversary of Kazakhstan's Independence Mine, the Bolashak mine), developing the mineral resource base, modernizing and upgrading production assets, improving operational efficiency, and maintaining the reliability and safety of production processes.

Key products and application areas



High carbon ferrochrome (HC FeCr)

The end product of high-carbon ferrochrome is stainless steel, which is used in construction, transportation, mechanical engineering, the manufactureof industrial pipelines, and consumer goods.



Refined alloys (mc/lc FeCr)

Medium- and low-carbon ferrochrome is used in the production of stainless and alloy steel, which requires a limited carbon content. It is also used in the production of special alloy steel for ball bearings, tools and devices requiring high durability materials.



Ferrosilicochrome (FeSiCr)

Ferrosilicochrome is an intermediate product required for the production of medium and low carbon ferrochrome. It is used as a metal for the production of individual types of chromium steels.



Ferrosilicon manganese (FeSiMn)

It is used in the production of steel alloys (Hadfield steel) to improve their properties and structure. Areas of use include mining, construction and railroad industries.



Ferrosilicon (FeSi)

It is used as a deoxidizer for regular steel production. It improves durability, elasticity, electrical conductivity and resistance to wearing, corrosion, acid and heat. Ferrosilicon is used in transformer and carbon steel, which are used in car manufacture.

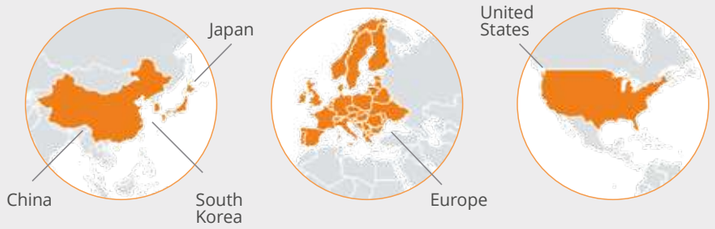


Chromium ore (Cr Ore)

It is used for the production of chromium ferroalloys, chromium compounds and refractory materials.

Key markets

We have established long-term partnerships with end users—the largest manufacturers of stainless and alloy steel in China, Japan, South Korea, Europe, and the United States.



Market overview

- Macroeconomic situation
- Market overview of supply and demand, ferrochrome prices

Macroeconomic situation

2025 was marked by the gradual normalization of the global economy after the period of high inflation and tight monetary policy. Global growth remained moderate, and the main sources of uncertainty were ongoing geopolitical tensions, trade restrictions, and weak economic performance in a number of regions.

Throughout the year, major central banks continued their cycle of interest rate cuts. The European Central Bank consistently eased monetary policy as inflation fell toward its target horizons, while the U.S. Federal Reserve acted more cautiously, keeping rates at relatively high horizons for most of the year. By the end of 2025, inflation in developed economies had generally stabilized, but economic growth rates remained below long-term averages.

China—the world's largest consumer of commodities and one of the world's key economies—showed positive dynamics in 2025 despite ongoing structural challenges. Its GDP grew by 5%, a significant achievement amid a global slowdown. This growth was achieved despite ongoing pressure in the real estate sector, a limited recovery in domestic demand, and debt burdens in certain industries. The main drivers of China's economic growth in 2025 were steady exports, expansion in industrial production, and accelerated development of high-tech sectors, including the production of electric vehicles, batteries, and semiconductor products.

2025 once again confirmed the attraction of commodity assets amid heightened market uncertainty. Most commodity markets showed steady performance, and commodities maintained their role as a tool for diversification and protection against inflationary risks. Metals posted particularly impressive results: the Bloomberg Industrial Metals Index gained about 13%, while the precious metals sector rose by 64%. Overall, the year was characterized by heightened volatility, the effects of tariff impositions, the return of falling behind assets to their mean horizons, and a number of other favorable factors, which collectively drove the outperformance of the commodities asset class.

The introduction of tariffs triggered a chain reaction in the commodities markets. The uncertainty led to aggressive stockpiling and an accelerated movement of commodities ahead of the tariffs taking effect, which resulted in sharp price fluctuations in a number of key markets. This was most evident in the copper market: prices on the CME rose sharply, while prices on the LME remained significantly less volatile. This divergence in trends was driven by a massive influx of copper into the U.S., as traders rushed to bring in the metal ahead of the expected imposition of tariffs. At the same time, news and expectations regarding the tariff measures were repeatedly revised throughout the year.



Market overview of supply and demand, ferrochrome prices

While a number of major ferrochrome producers—Kazchrome, Samancor, and Glencore-Merafe control approximately 11%, 5%, and 3% of the global ferrochrome market in chromium equivalent, respectively (as of 2025), and have their own chromium ore deposits, a significant portion of producers are forced to purchase raw materials on the open market. The significant decline in production in South Africa was driven by a substantial increase of electricity rates in the country, as well as a decline in ferrochrome export prices. Indicatively, that China, which accounts for about 55% of global ferrochrome production in chromium equivalent, has virtually no chromium reserves of its own and is forced to import chromium ore from South Africa, Turkey, Zimbabwe, and a number of other countries.

Ferrochrome prices in Western markets (the U.S. and Europe) continued to trend downward in 2025; following record highs in 2022 and prices that remained elevated in 2023–2024, the market returned to horizons more in line with fundamentals. Specifically, in Europe, the average annual prices for high-quality, high-carbon ferrochrome (hereinafter "HC Ferrochrome") and low-carbon ferrochrome (hereinafter "LC Ferrochrome") were approximately US$1.43 per pound of chromium and approximately US$2.28 per pound of chromium, respectively, down 16.9% and 9.9% compared to the previous year.

The weak price environment in Europe was primarily driven by demand-side factors, and the region's stainless steel market continued to stagnate. According to CRU, in 2025, stainless steel production in Europe fell by 1.8% year-over-year, while the supply of high-quality ferrochrome remained stable, putting additional pressure on prices. In the U.S., the situation was more favorable; against the backdrop of the Trump administration's protectionist measures, stainless steel production grew by approximately 8% year-over-year. Meanwhile, market participants are counting on a recovery in Western markets and a corresponding rise in ferrochrome prices—signs of which are already visible: in the first five months of 2026, prices for high-purity ferrochrome in Europe and the U.S. rose by approximately 14% and 4%, respectively.



Ferrochrome prices in China also exhibited high volatility, with average annual prices for ferrochrome concentrate at approximately US$0.87 per pound of chromium, down 7.5% year-over-year. The commissioning of new production capacity triggered a local imbalance between supply and demand, leading to a sharp drop in ferrochrome prices in late 2024 and early 2025 to five-year lows. At the same time, as we noted in last year's report, this significant decline in ferrochrome prices in China is unsustainable under current conditions: high chrome ore prices keep ferrochrome producers' costs elevated, while falling ferrochrome prices inevitably lead to negative margins. The price shock of late 2024–early 2025 and the shift of profitability into negative range led to the reduction of local production and the decrease in ferrochrome import volumes in the first half of 2025, which helped to restore market balance. By the end of the year, prices had fully recovered from the decline, rising by about 25% since the beginning of the year and returning to a horizon of approximately US$0.96 per pound of chromium. In line with our expectations, against the backdrop of growing demand from stainless steel producers and persistently high chromium ore prices, prices stabilized at ~US$ 1.00 per pound of chromium by mid-2026.

Strategy overview

Efficiency and Growth Initiatives

Efficiency and Growth Initiatives

In 2025, Kazchrome continued to implement measures aimed to improve operational efficiency, ensure the reliable operation of its production assets, and promote sustainable business development. The company remained focused on producing high-quality products, complying with industrial safety and environmental protection requirements, and maintaining sustainable financial performance indicators.

As part of its efforts to achieve its strategic objectives, Kazchrome continued to implement a series of initiatives aimed to improve efficiency and drive growth across various stages of the value chain.

Mining stage

Bolashak mine

In 2025, Donskoy GOK continued to implement its strategic project to develop Bolashak mine, which was commissioned in 2024. The mine's rated capacity is 7.5 million metric tons of chromium ore per year. It combines the development of two deposits—Millionnoye and Almaz-Zhemchuzhina—and is one of the deepest mines in the world. Mining operations are conducted on five underground horizons at depths ranging from 800 to 1,200 meters, while the depth of the mine shaft exceeds one kilometer, which is a record for ferrous metal mining in Kazakhstan.

Throughout the reporting year, efforts to increase production capacity and develop the new facility continued. By the end of 2025, Bolashak mine had produced 320 thousand tons of chromium ore. Advanced technological solutions are used in mining operations, including smart drilling rigs with automatic drilling modes, remote control of equipment from the surface, and a fully automated hoisting machine. The use of these technologies helps enhance production efficiency and industrial safety while reducing the environmental impact.

Geological exploration work in prospective areas, based on its results:

- In 2025, chromium ore was mined using open-pit methods at Yuzhny open-pit deposit and using underground methods at Deposit No. 39;
- In 2026, open-pit mining operations are scheduled to begin at Geofizicheskoe VI chromium ore deposit.

Ore Beneficiation Stage

In 2025, Kazchrome continued to develop the ERG Green project—a beneficiation plant commissioned in 2023 to process slime tailings. The project aims to recycle both historically accumulated and current beneficiation waste containing chromium oxide, followed by the production of chromium concentrate used as feedstock for ferroalloy production. The project's implementation contributes to more efficient use of mineral resources, reduction of accumulated waste volumes, and creation of additional raw material sources for ERG Group enterprises.

By the end of 2025, the ERG Green plant had produced 173 thousand tons of chromium concentrate.

Another important milestone in the project's further development during the reporting year was the completion of construction of the slime tailings flotation processing unit at the Donskoy GOK. The new section utilizes the world's first innovative technology for the direct flotation of chromium from slime tailings, developed and patented by the ERG Research and Engineering Center. The technology enables the extraction of chromium from ultrafine particles that were previously not included in the processing, thereby expanding the possibilities for the comprehensive utilization of mineral raw materials. During the commissioning period, 4.7 thousand tons of flotation concentrate were produced.

Metallurgy stage

Aktobe Ferroalloys Plant

Throughout 2025, the direct-current furnaces in Shop No. 4 at Aktobe Ferroalloys Plant operated at their design capacity. The primary focus was on optimizing the shop's operating parameters and improving the efficiency of production processes.

In 2025, the Group continued to implement measures aimed to reduce production costs and increase productivity at the Smelting Shop No. 4 for ferrochrome production. As part of previously implemented project to construct the third reducer drying line, full utilization of the ERG Group's in-house-produced reducer (special coke from Shubarkol Komir JSC) was ensured.

In 2025, construction of the Utilization Power Plant using ferroalloy gas integrated with Smelting Shop №4 —was started at Aktobe Ferroalloys Plant. The project involves utilization of by-product gas from ferroalloy production, with subsequent electricity generation with up to 80 MW capacity.

The project aims to improve production energy efficiency by utilizing secondary energy resources, reduce consumption of traditional energy sources, and minimize environmental impact through reduced emissions.

The power plant start-up is scheduled for October 2027.

Modernization of furnaces at Aksu Ferroalloys Plant

The enterprise continues its focus on reducing the cost of finished products through increased efficiency in production processes. The use of ERG Group's in-house-produced reducing agents (special coke, Shubarkol coal) is increasing.

At the end of 2025, a jigging complex was commissioned to enrich fine-grained slag sand to produce chromium-containing byproducts used in production, as well as marketable slag sand.

In addition, measures to reduce the generation of fine ferrochrome particles during crushing and to increase the yield of lump material with a higher market value are in progress.



Overview of operating results

- Products, sales, marketing and customers
- Reserves and resources

Products, sales, marketing and customers



Kazchrome manufactures high quality ferroalloy products. Kazchrome's strategic customers are the world's leading companies. Its end users include many of the largest stainless and alloy steel producers in China, Japan, South Korea, Europe and the USA.

Products

Kazchrome's main products are high-carbon and low impurity refined ferrochrome. Ferrochrome products are used in the production of various types of corrosion resistant steel, ranging from ordinary stainless steel to alloy and structural steel.

The Company's process capabilities allow it to vary the carbon content of its ferrochrome products based on customer technical specifications and market conditions. As a result, Kazchrome is able to optimize its product range to diversify its end customer base and maximize profits.

Operating results

Thousand tons	2023	2024	2025
Mining and production			
Chromium ore mining	5,194	6,032	6,134
Production of ferroalloys	1,635	1,865	1,835

The 1.8% increase in chromium ore production in 2025 is due to the modernization of equipment at the 10th Anniversary of Kazakhstan Independence Mine, increase of extraction output at Bolashak mine, and an increase in open-pit mining operations on the eastern side of the Yuzhny open pit, in accordance with the approved Mining Plan.

Sales, markets and customers

Kazchrome's marketing strategy is focused on end users and markets, where the main requirements are high product quality and reliable supply. Since 2015, the Company has been working with a long-distance distributor, which has enabled the Company to establish long-term cooperation with end users of its products. Long-term contracts help to mitigate potential risks related to sales volumes.

Sales Structure

Based on product type

Thousand tons	2023	2024	2025
Sales Volume			
High-carbon ferrochrome	1,268	1,446	1,408
Refined ferrochrome	53	68	66
Silicon alloys	182	162	145
Total ferroalloys	**1,503**	**1,676**	**1,619**

Based on markets

Million KZT	2023	2024	2025
Domestic Market	10,453	16,463	19,516
Foreign Market	1,057,263	986,056	1,003,047

Sales to neighboring countries and within Kazakhstan are made through direct contracts with customers. In addition, ferrosilicon manganese is sold under direct contracts with Chinese buyers for the period 2024-2025.

Kazchrome has easy access to western and central China through the Dostyk-Alashankou border crossing due to the developed railway connection. In addition, shipments to the port of Lianyungang, which provides transit for the Company's cargoes to the markets of Japan, South Korea and Southeast Asia, are also transported through this crossing.

Kazchrome has no cases of non-compliance of products with legal requirements regarding health and safety effects. Products are supplied in accordance with regulatory documents. The products sold were not the subject of public discussion, including advertising and promotion.

Reserves and resources

Kazchrome's chromium deposits are located in the southern part of the Ural Mountains, in the Kempirsay Massif, the main ophiolitic belt with a total area of about 1,000 km2. All industrial deposits are located in the southeastern part of the Kempirsay Massif and are grouped into the Main (South Kempirsay) ore field. The deposits are the largest and have a high content of a useful component, chromium oxide, in the ore. The meridional ore-bearing zones of the DGOK deposits - West and East - extend over a distance of 24 km with a width of 7 km.

The 10th Anniversary of Kazakhstan's Independence Mine has been explored to a depth of 1.2 thousand meters and has the potential to increase reserves and resources to extend its mine life.

Moreover, Kazchrome is currently conducting operational exploration at the Zapadnaya Zalezh deposit from the minus 252-meter horizon of the 10th Anniversary of Kazakhstan's Independence mine, and production exploration of the sub-open-pit reserves at the 40 KazSSR - Molodezhnoe deposit, as well as at Pervomaiskoye deposit from -80 meters horizon, at Almaz-Zhemchuzhina deposit from -160 meters horizon at the 10th Anniversary of Kazakhstan's Independence Mine and from -402 meters and -376 meters horizons at the Bolashak Mine.

As part of the exploration contract for the South Kempirsay ore field, the reserves of the Geofizicheskoe XII chromium ore deposit are being further explored.

Review of Subsurface Use Agreements and Licenses

According to the Constitution of the Republic of Kazakhstan, the land, its subsoil, waters, flora and fauna, and other natural resources belong to the people. The state exercises ownership rights on behalf of the people.

Kazchrome conducts mineral extraction activities pursuant to Subsurface Use Agreements and Licenses concluded with the Government of the Republic of Kazakhstan. The terms of these agreements and licenses vary from deposit to deposit in accordance with the legislation of the Republic of Kazakhstan. The licenses for the extraction of chromium ore expire in 2041.

The Company is legally obligated to complete the reclamation of tailings generated during mining operations and to decommission its mining properties upon closure.

Resources and reserves[1]

Kazchrome's largest resource base in the industry includes 296 million tons of balance reserves of chromium ore of unique quality with an average chromium content of 51.7% and low impurities. This volume of balance reserves is capable of supporting the mine for several decades at current production levels, with significant potential for further expansion.

Subsurface Use Agreements and Licenses

Agreements	Location	Agreement commencement date	Agreement expiration date	Mine(s)	Division
Chromium ore mining	Khromtau district, Aktobe region	1997	2041	The 10th Anniversary of Kazakhstan's Independence and Molodezhnaya mines, Donskoy mine	Donskoy GOK
Chromium ore mining	Khromtau district, Aktobe region	2022	2025	Donskoy mine	Donskoy GOK
Manganese ore mining	Nurinsky District, Karaganda Region	1999	2025	Tur mine	Kazmarganets Mining Enterprise
Prospecting for chromite-containing ore	Khromtau district, Aktobe region	2015	2026	South Kempirsay ore field	Donskoy GOK
Prospecting for polymetallic ore.	Айтекебийский район Актюбинской области	2019	2030	Karakudyk site	Donskoy GOK
Prospecting for copper, gold, silver, lead and zinc	Aktogay District, Karaganda Region	2023	2029	Adylbay site	Donskoy GOK
Prospecting for chromite ore	Aitekebi and Khromtau Districts Aktobe Region	2024	2030	The Bilge ore occurrence	Donskoy GOK
Prospecting for chromite ore	Mugalzharsky, Bayganinsky, and Shalkarsky districts Aktobe Region	2024	2029	The Daulsko-Kokpektinskaya	Donskoy GOK
Prospecting for chromite ore	Alginsky district, Aktobe Region	2025	2031	Aksu rock ore	Donskoy GOK

Balance reserves of chromium ore: Donskoy GOK

Deposit	Category[2]	Tonnage, million tons	Average content of Cr_2O_3 ore, %	Cr_2O_3 content million tons
The 10th Anniversary of Kazakhstan's Independence Mine	B,C_1	200.604	51.7	103.712
	C_2	90.155	46.9	42.283
	Total mineral reserves	**290.759**	**50.2**	**145.995**
Molodezhnaya Mine	B,C_1	0.000	0.0	0.000
	C_2	0.813	47.7	0.388
	Total mineral reserves	**0.813**	**47.7**	**0.388**
Geofizicheskoe VII	B,C_1	2.001	36.7	0.738
	C_2	-	-	-
		2.001	**36.7**	**0.738**
№39	B,C_1	0.123	47.4	0.058
	C_2	-	-	-
	Total mineral reserves	**0.123**	**47.4**	**0.058**
Geofizicheskoe VI	B,C_1	0.189	46.7	0.088
	C_2	0.274	45.5	0.125
	Total mineral reserves	**0.463**	**46.0**	**0.213**
Total: Donskoy GOK	B,C_1	202.925	51.6	104.596
	C_2	91.242	46.9	42.796
	Total mineral reserves	**294.167**	**50.1**	**147.392**

1 Based on the Reports on Mined Solid Minerals from Approved Reserves, as classified by the State Commission on Mineral Reserves, for the 2025 reporting period (Form 1TPI).
2 B, C_1 category—proven reserves; C_2 category — inferred reserves.

Financial overview



Reporting principles

This overview of financial condition and results of operations is intended to provide an understanding, evaluate trends and significant changes relating to Kazchrome's operations and financial position.

This overview is based on the audited consolidated financial statements of Kazchrome. The financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) and the accounting policies applied in the preparation of the consolidated financial statements for the years ended December 31, 2023, 2024 and 2025.

The functional currency of Kazchrome is the national currency of the Republic of Kazakhstan, the Kazakhstan tenge.

PricewaterhouseCoopers LLP is the independent auditor of Kazchrome. The audited consolidated financial statements and the independent auditor's report are set out in the Financial Statements section.

The table below summarizes the financial data relating to Kazchrome's consolidated results for 2023-2025.

Statement of profit or loss

Million KZT	2023	2024	2025
Revenue	1,067,716	1,002,519	1,022,562
Cost of sales	(694,071)	(704,802)	(724,629)
Gross profit	**373,645**	**297,717**	**297,933**
Distribution Expenses	(10,980)	(12,339)	(12,552)
General and Administrative Expenses	(40,120)	(42,016)	(31,824)
Research, Business Development, and Exploration Expenses	(6,803)	(5,327)	(6,061)
Other Operating Income (Expenses)	(6,275)	10,760	(19,443)
Operating profit	**309,467**	**248,795**	**228,053**
Share in the Results of Associates	8,972	14,061	(18,704)
Financial Income	42,119	32,735	52,480
Financial Expenses	(116,410)	(281,981)	(102,402)
Before-tax income	**244,148**	**13,610**	**159,427**
Income tax expenses	(47,105)	(7,445)	(18,538)
Profit for the year	**197,043**	**6,165**	**140,889**

In 2025, Kazchrome ended the reporting period with a net profit of KZT 140.9 billion, which significantly exceeded the previous year's indicator.

This positive trend was driven by a decrease in financial expenses of KZT 179.6 billion, attributable to the impact of exchange rate differences on investing and financing activities, as well as a reduction in expenses related to the recognition of financial guarantees liabilities. Additional factors contributing to the growth in net income included an increase in financial income of KZT 19.7 billion, as well as optimization of administrative expenses and increased operational efficiency of the Company.

More detailed information is disclosed in the notes to the Company's audited consolidated financial statements for 2025.

Revenue

Million KZT	2023	2024	2025
High-Carbon FeCr	874,316	825,236	847,693
Refined FeCr	94,478	89,194	87,935
Silicon alloys	78,707	78,185	77,671
Other	20,215	9,904	9,263
Revenue	**1,067,716**	**1,002,519**	**1,022,562**

In 2025, revenue increased by KZT 20.0 billion, or 2%, compared to 2024. The growth in revenue was primarily driven by higher prices for high-carbon and low-carbon ferrochrome, as well as manganese concentrate.

Cost of sales

Million KZT	2023	2024	2025
Raw materials, supplies, and components	251,688	236,111	225,082
Wages and related expenses	141,292	160,340	183,339
Electricity costs	97,674	116,113	130,772
Depreciation of fixed assets and amortization of intangible assets	60,905	71,491	88,323
Mineral extraction tax	26,750	25,822	21,845
Other	115,762	94,925	75,268
Cost of sales	**694,071**	**704,802**	**724,629**

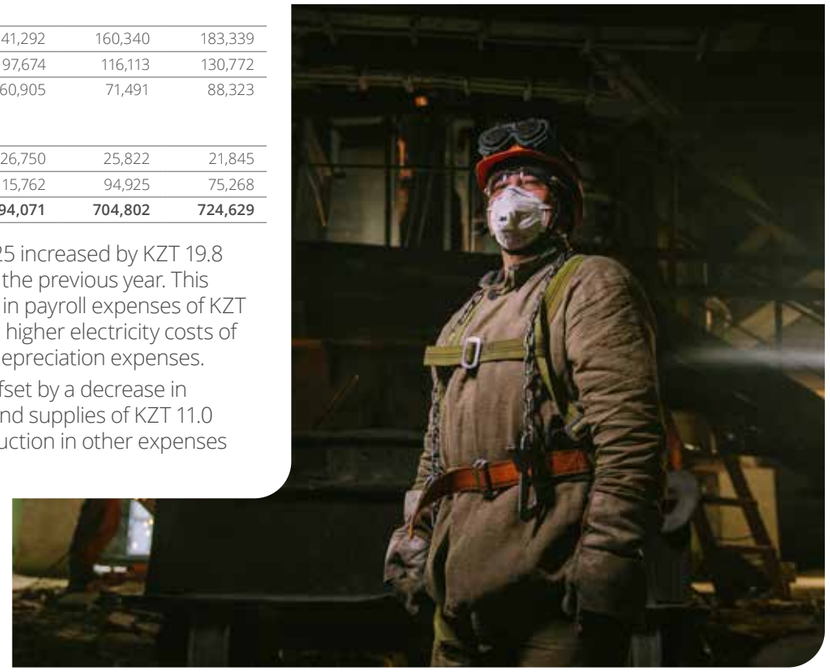
The cost of goods sold in 2025 increased by KZT 19.8 billion, or 2.8%, compared to the previous year. This increase was driven by a rise in payroll expenses of KZT 23.0 billion (14.3%), as well as higher electricity costs of KZT 14.7 billion (12.6%) and depreciation expenses.

This increase was partially offset by a decrease in expenses for raw materials and supplies of KZT 11.0 billion (4.7%), as well as a reduction in other expenses of KZT 19.7 billion (20,7%).

General and administrative expenses

Million KZT	2023	2024	2025
Management, consulting, and other professional services	21,523	18,570	18,023
Sponsorship and charitable contributions	7,481	13,634	3,594
Wages and related expenses	4,118	4,047	4,640
Other	6,998	5,765	5,567
General and administrative expenses	**40,120**	**42,016**	**31,824**

General and administrative expenses in 2025 decreased by KZT 10.2 billion, or 24.3%, compared to 2024. The decrease is primarily due to a reduction in sponsorship and charitable contributions of KZT 10.0 billion (73.6%), along with reduced other operating expenses.



Risk management

- Risk management system
- Key risks and their management

Risk management system

The Company's risk management system operates in accordance with the ISO 31000:2018 international standard for risk management. Risk Management. The risk management system provides reasonable assurance that strategic and operational objectives will be achieved by mitigating or preventing risks from occurring. The Company's risk management process is aimed at ensuring business sustainability, maintaining operational continuity, and protecting the interests of shareholders, employees, creditors, and other stakeholders. The risk management process is carried out in accordance with the Risk Management Policy and covers key areas (strategic management, budgeting, investment activities, ESG, and others), encompassing all levels of the Company's operations.

Risk management is an ongoing process that encompasses the Company's operations at all management levels and is carried out by management at the Head Office, division, and asset levels. Managers at all management levels participate in risk management.

To ensure that decisions regarding the management of the divisions' most significant risks are made on a regular basis, and to monitor the implementation of risk management decisions at the division level, each division holds regular risk review sessions with division leadership.

Key risks are reviewed on a regular basis by the highest corporate governance bodies.

The measures developed are prioritized and evaluated for economic feasibility: the top priority is to implement risk management measures for the most significant risks.

The use of artificial intelligence and quantitative risk analysis tools, utilizing specialized software.

Key risks and their management

The financial performance, operations, project strategy and reputation of the Company may be negatively impacted by the occurrence of one or more of the key risks described below. To mitigate risk, we continuously monitor, implement risk mitigation actions, and develop contingency plans to ensure business continuity.

We are committed to continuously improving our methods and approaches for environmental protection and risk management. We allocate the necessary resources for environmental protection.



Key risks and their management

Key risks	Approach to risk management
Regulatory and Legal Risks There are a number of factors that can affect the regulatory environment, including the adoption of new (or changes to existing) laws and regulations.	• Monitor potential changes in the legal and regulatory environment. • Represent the Company's interests through professional organisations / associations. • Monitor compliance with obligations under licenses' and permits obtained.
Price Risks The volatility of finished product prices has a significant impact on the Company's operations, including financial performance and liquidity.	• Regularly review and forecast key market indicators in the short and medium term (consumption, supply, availability, etc.). • Enter into long-term sales contracts that link raw material prices to benchmarks. • Develop alternative sales channels.
Production and Operational Risks: The Company's operations are subject to the risk of equipment failure, uncertainty of geological formations and mineralization, and the risk of man-made and natural accidents.	• Plan for reliability and maintenance based on risk assessment . • Perform independent technical diagnostics of machinery and equipment. • Control the quality of raw materials. • Implement business continuity management processes. • Control production processes to ensure compliance with technical regulations. • Insure against the risk of property damage and production downtime.
Supply Chains and Logistics Risks The Company sells its finished products and purchases inventory, raw materials and equipment necessary for its operations from various vendors, including foreign vendors. The Company may be exposed to the risks of supply disruptions, changes in prices for purchased and sold goods, and shortages of transportation capacity.	• Continually seek opportunities to reduce logistics leverage in certain supply chains. • Improve the efficiency of third-party logistics. • Maintain our own fleet of rail wagons in one of the ERG Group companies (Transcom). • Establish and maintain additional inventories of critical raw materials, supplies and equipment (including personal protective equipment). • Control the quality of goods supplied. • Logistics risks insurance.
Risks of Failure to Deliver Capital Projects Failure to complete major capital projects in accordance with scheduled timelines, budgets, and quality standards may, in the long term, adversely affect our profitability and reputation (including our ability to secure financing in the future).	• Apply a systematic and transparent phased project delivery process. • Improve peer review and independent project analysis processes and mine planning . • Apply project management tools and international practices in the early stages. • Monitor/ control project schedule, budget, and other parameters. • Develop contingency plans based on the results of quantitative analysis of risks to project schedule and cost. • Insure against construction risks and risks associated with delayed commissioning of critical capital projects. • Risk analysis of each project being implemented and review at the Investment Committee meeting.
Financial Risks The Company is exposed to a variety of financial risks, including liquidity risk, i.e., inability to meet existing financial obligations, covenant default risk, currency risk, tax risk, credit risk and interest rate risk.	• Maintain strong relationships with existing lenders, expand the pool of funds available to us, work to improve our debt portfolio, loan terms and opportunities. • Regularly update our cash flow plan and monitor liquidity levels. • Regularly monitor the compliance with covenants. • Periodically monitor the open foreign exchange position. • Periodically monitor changes in tax laws and compliance with their requirements. • Analyze the creditworthiness of the counterparty. • A credit risk management policy has been implemented, including the use of credit limits and other tools to prevent overdue receivables from counterparties.

Risk management system (continued)

Key risks and their management

Key risks	Approach to risk management
Social Risks The Company's operations may have a negative impact on local communities living near production facilities. As a result, there may be a risk of social tension in the community.	• Make social investments in local communities, including through memoranda of mutual cooperation with local authorities aimed at contributing to the social and economic development of the region. • Implement employee housing programs and improve the local urban environment. • Monitor public opinion and mechanisms of complaints consideration for local community members. • Provide social assistance to employees in accordance with the collective bargaining agreement. • Provide social insurance. • Provide corporate philanthropy and sponsorship. • Provide social benefits to the Company's employees, who are an important part of the local community, as part of the overall approach to human resources management.
Human Resources Management Risks When operating in remote regions, the Company faces risks related to its ability to attract personnel with the skills and experience required for our operations, as well as the loss of qualified personnel.	• Maintain competitive employee salaries. • Train and develop employee to maintain the required skills. • Develop a talent pool system and internal staff rotation. • Implement an effective system of motivation. • Develop a system to attract young professionals through interaction with colleges and universities. • Recruit staff from the external market rare and critically short-staffed specialities. • Continually monitor employee satisfaction and engagement.
Occupational Health and Safety Risks The Company's operations involve hazardous activities, the performance of which may adversely affect the physical condition and health of the Company's employees and contractors.	• Apply safety management systems that are certified and/or comply with ISO 45001. • Implement a zero harm principle for key occupational health and safety risks. • Conduct health and safety system audit. • Integrate safety objectives into managers' KPIs. • Assess risks using hazard identification methodologies (HAZID[1]).
Environmental and Climate Change Risks The Company's operations may have an impact on the environment. There is a risk that the maximum permissible limits for air emissions, water discharges and waste disposal may be exceeded. Given the significant amount of greenhouse gas emissions produced, the Company faces direct and indirect risks related to future regulatory attempts to limit the organization's permissible emissions. The Environmental Code of the Republic of Kazakhstan requires the remediation of the consequences of the operation of production facilities that have a negative impact on the environment after their operation has ceased. Remediation depends on the nature of the facilities involved and the potential environmental impact.	• Adopt management systems that are certified and/or comply with ISO 14001. • Implement an energy management system certified to ISO 50001. • Implement renewable energy development projects. • Assess a carbon footprint . • Implement ERG's environmental strategy, including the phased introduction of advanced air and filtration technologies at key business units. • Implement ERG Group-level risk monitoring process for major waste storage facilities. • Consider the impact of greenhouse gas emissions when making long- term investment decisions to reduce emissions where economically viable. • Assess the physical climate risks affecting the regions in which the company operates and consider incorporating recommendations for managing these risks into ERG Group's long-term strategy. • Evaluate the nature of the Company's manufacturing facilities and their potential environmental impacts. • Monitor changes in environmental legislation.

1 HAZID (Hazard Identification) means a process for identifying hazards.

Key risks and their management

Key risks	Approach to risk management
Compliance Risks ERG Group has undertaken a number of internal and external compliance obligations applicable to the Company, including obligations relating to compliance with international sanctions, data protection requirements, human rights, anti-money laundering and anti-terrorist financing requirements, and anti-bribery and corruption requirements. Failure to comply with these obligations may result in financial and non-financial sanctions and damage to ERG Group's reputation.	• Implementation of the annual compliance program for Kazakhstan Perimeter, including the Company, by providing employee training and monitoring compliance with internal policies and guidelines (including the ERG Code of Corporate Conduct, the ERG Supplier Code of Conduct, etc.); proactively monitoring applicable regulatory requirements, liaising with business units and regulatory authorities to ensure timely updates to management processes, and developing targeted, risk-based training programs. • Improving policies and procedures, including those related to fraud risks, conflicts of interest, AI regulation, international sanctions, conflict zones, and high-risk areas (CAHRA), as well as interactions with government agencies; ongoing updates to processes for disclosing and resolving conflicts of interest, and comprehensive counterparty due diligence (CPDD), including supply chain participants, with an emphasis on compliance with human rights and the OECD[2] Due Diligence Guidelines. • Implementation of ERG's sanctions compliance program. • Implementation of ERG's data protection program to ensure compliance with the EU General Data Protection Regulation (GDPR) and national laws. • Compliance risk assessments are conducted to identify and prevent risks in a timely manner, including those related to sanctions violations, bribery and corruption, money laundering, terrorist financing, human rights violations in supply chains, conflict-affected and high-risk areas (CAHRA), and others. • Support for a whistleblowing system, including the ERG Hotline, managed by an independent operator.
Information technology (IT) and Information Security Risks The Company recognizes that its digitalization and information technology activities expose it to potential risks related to loss of access to IT infrastructure, business process failures, internal and/or external fraud, data leakage and breach of confidentiality, non-compliance with information security requirements, and violation of software license agreements.	• Establish a reliable cybersecurity system. • Respond quickly to IT service disruptions and cybersecurity incidents. • Implement continuity plans for key IT processes. • Monitor software license agreement compliance. • Provide user training. • Review backups and disaster recovery for all critical systems.

Additional risks and other scenarios not currently known to the Company may arise that are not currently considered material and could have a material adverse effect on the Company's operations and financial results.

2 OECD (Organization for Economic Cooperation and Development) Guidance on Due Diligence for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.s

Overview of sustainable development

- Occupational health and safety
- Human Resources Management
- Good environmental governance
- Local community development and welfare
- Ethics and Compliance

Management Approach

Kazchrome is part of ERG and adheres to the Group's principles and approaches to sustainable development in its operations. This includes responsible management in the areas of environmental impact, social development, and corporate governance, as well as the implementation of measures aimed at sustaining the business's ability to create long-term value, deliver benefits to stakeholders, and contribute to the global transition to new energy sources. Sustainability principles are embedded in the company's integrated management system.

Corporate Governance for Sustainable Development

The key body responsible for coordinating sustainable development initiatives is the ERG Kazakhstan Perimeter ESG Committee, which consists of senior executives from key functional areas. The Committee's decisions are made by electronic vote when a quorum is present, ensuring that they are documented and traceable. In 2025, the Committee approved the updated ESG Goals for Perimeter Kazakhstan through 2030, endorsed priorities in the areas of sustainable development and decarbonization, and monitored the progress toward these goals at the end of the year.

Long-Term ESG Goals

Long-term ESG goals for the Kazakhstan Perimeter include reduction of water intake and emissions, waste recycling, increasing the share of renewable energy, and reducing the carbon footprint of products (including an interim target to reduce the carbon footprint of ferrochrome by 30% by 2035), ensuring the safety and well-being of employees, supporting the development of the regions of the company operation, and strengthening business ethics and responsible procurement. Information on these areas is presented in the relevant sections of this Report.

Key Initiatives in the Areas of Sustainable Development and Decarbonization

In Kazakhstan, ERG is implementing a number of strategic initiatives in the area of sustainable development. Key projects include:

- **Implementation of the Environmental Strategy,** developed in accordance with international best practices and ensuring that the ERG Group's operations comply with the requirements of the new Environmental Code of the Republic of Kazakhstan;
- **Development of the renewable energy portfolio.** Specifically, the commissioning of all 24 turbines at the 150-MW Khromtau Wind Farm, located near the Donskoy GOK, has been completed. The project enables us to replace electricity generated from coal. In addition, ERG Group is considering the possibility of implementing new large-scale renewable energy projects in Kazakhstan over the next 5–10 years;
- **The construction of a waste-to-energy power plant fueled by ferroalloy gas at the Aktobe Ferroalloys Plant** is one of the ERG Group's key initiatives in the area of decarbonization. The project will reduce electricity consumption of smelting shop No. 4 from the external grid by 20–30% without generating additional CO2 emissions. The project cost is $99 million, most of which is being implemented under the EPC contract.
- **Development of the ERG Green project at the Donskoy GOK,** aimed at processing slime tailings. Since 2023, 1.7 million metric tons of waste have been processed, and 202 thousand metric tons of concentrate with a chromium oxide content of ~50% were produced in 2025. The design capacity is 564 thousand metric tons of concentrate per year. The flotation plant was commissioned in 2025;
- **Implementation of automated greenhouse gas emissions calculation** system based on the corporate data platform, which improves the quality of monitoring and management of climate indicators;
- **Implementation of the three-year regional development program** in partnership with local executive authorities, aimed at supporting social infrastructure, improving the quality of life for the population, and promoting sustainable development in the regions of ERG Group operation.

External Evaluation and Transparency

Kazchrome undergoes an annual independent assessment of its business practices' sustainability using EcoVadis methodology. Based on the results of the most recent assessment, the company received a score of 72 out of 100, which corresponds to the 85th percentile among the assessed companies. Kazchrome continues to work on expanding its disclosures and improving transparency.

More detailed information on ERG's sustainability activities is presented in the ERG Sustainability Review, which is available on the website *www.eurasianresources.lu*

For Kazchrome and other ERG companies, sustainable development means:

- Environmental, social, and ethical performance by integrating the principles of sustainable development into the integrated management system;
- Achieving overall business sustainability by ensuring the business's readiness for future changes and its ability to create value over the long term;
- Sustainable growth that delivers long-term benefits to stakeholders: shareholders, customers, business partners, the government, employees, and local communities.

More detailed information on specific areas of Kazchrome sustainable development is provided in the topic sections below.





Occupational health and safety

Management Approach

One of Kazchrome's top priorities is to ensure the safety and well-being of its employees. This includes, but is not limited to, providing safe working conditions, improving employee health, and promoting healthy lifestyles.

According to the Company's Values, occupational health and safety (OHS) is a top priority for the company. Kazchrome strives to provide a safe, productive and stable working environment for all employees and contractors. To this end, measures are implemented on an ongoing basis to continuously improve OHS indicators and achieve zero workplace injuries.

Occupational Health and Safety Management System (OHSMS) is operated in all divisions of Kazchrome. In 2025, the international certification body CERT International s.r.o. confirmed the certificate of compliance of the Company's management system with ISO 45001 - Occupational Health and Safety Management System. At the same time, Kazchrome complies with national OHS standards and continuously monitors the implementation of OHS measures in its divisions. This includes initiatives to prevent injuries, occupational diseases, improve incident records, provide OHS training for employees and contractors at the Company's sites, and others.

All Kazchrome divisions apply uniform requirements for accident registration and investigation based on the requirements of the legislation of the Republic of Kazakhstan. The process of registering and reporting accidents (including fires) is automated, which allows the relevant employees to be informed of an incident as soon as possible. Investigation and reporting are carried out in accordance with uniform requirements established in the Company.

Regular meetings are held with contractors' employees to improve communication and involvement of contractors' employees in health and safety issues.

Key Issues and Initiatives

Ensuring the Safety of Employees

In order to improve the level of occupational safety in Kazchrome's divisions in 2025, measures have been implemented in the following areas:

Ensuring Safety When Working in a Confined Space

A training ground has been built at the Aksu Ferroalloys Plant to practice the skills of working in a confined space. A training matrix has been developed with the definition of a list of professions engaged in working in confined spaces.

Ensuring Safe Work at Heights

As part of the corporate program to ensure safety when working at heights, 1,414 employees of the Chrome Division completed training at the Unified Training Center. After receiving preliminary theoretical instruction in classrooms, the employees reinforced their practical skills in using fall protection equipment at training facilities. All employees who perform work at heights completed this training, as well as engineering and technical staff who supervise this type of work and specialists who develop the relevant documentation.

Measures to Improve Safety and Occupational Health

Aktobe Ferroalloys Plant purchased primary fire extinguishing equipment amounting to approximately KZT 4.4 million. Maintenance work was also performed on the fire alarm system and the automatic fire suppression system, amounting to a total of approximately KZT 52 million. In addition, fire-retardant coatings were applied in the plant's production areas for the amount of KZT 9.3 million. These measures are aimed to improve fire safety, ensure reliable protection of production facilities, and reduce the risk of emergencies.

"Safety stand-downs" have been organized in the divisions of all enterprises with the participation of top management. Particular attention is being paid to workplaces, discussions with employees, and the review of problematic issues, etc.

The "Electronic Work Permit" system is being implemented in phases at the Aktobe Ferroalloys Plant, the Aksu Ferroalloys Plant, and the Donskoy GOK. This project aims to automate the processes of preparing, approving, and issuing work permits, as well as to improve the efficiency and transparency of production processes.

At the Aksu Ferroalloys Plant and the Donskoy GOK, drivers have undergone training as part of the centralized "Defensive Driving" program, where company drivers acquire specialized skills that enable them to minimize traffic accidents regardless of the actions of other road users and despite adverse road and weather conditions.

All Kazchrome subsidiaries are gradually implementing the LOTO (Lockout/Tagout) system, which is intended to improve industrial safety during repair, maintenance, and technical work on equipment.

This system requires that energy sources be blocked and tagged out before work begins, thereby eliminating the risk of accidental equipment startup, energization, or hazardous energy release when personnel is in the danger zone.

At the Aktobe and Aksu ferroalloys plants, the transition to reinforced metallurgist overalls with additional protective inserts has been completed. As part of overall upgrade, parts of the overalls most exposed to heat—the back and the back of legs—have been reinforced with stronger, fire-resistant fabric. These changes are designed to enhance worker protection and increase the durability of the overalls in high-temperature production environments.

The "Critical Risk Control" process is being implemented at the Aktobe Ferroalloys Plant, the Aksu Ferroalloys Plant, and the Donskoy GOK. (CRC), which aims to prevent the most serious (critical) risks in the field of occupational health and safety from occurring through regular checks on availability and proper functioning of organizational and technical measures—the so-called "protective barriers" against the aforementioned risks. The checks are conducted by shop employees—ranging from the shop workers to the head of the shop—using the "CRM" electronic module, which was specially developed within the "O&H" Integrated Information System.

Transportation Safety

Implementation of the transportation safety project continued in 2025. In the second half of 2025, the Donskoy GOK replaced the "SKAUT" system with 31 units of the updated Antison system. This project includes additional features to prevent drivers from falling asleep; smart surveillance and violation-detection cameras significantly reduce the risk of traffic accidents, monitor drivers' actions and condition (fatigue, falling asleep at the wheel), and improve the efficiency of vehicle utilization.

Furthermore, maintenance of the SKAUT system by Business & Technology Services LLP and TNC Kazchrome JSC for the provision of equipment maintenance and technical support services, as well as IT support for 175 vehicles, was terminated due to the lack of spare parts and the transition to the updated Antison system.

Safe driving training was conducted for drivers in 2025:

Donskoy GOK – 242 drivers; the Aktobe Ferroalloys Plant – 44 drivers; the Aksu Ferroalloys Plant—54 drivers; and the Kazmarganets ME – 18 drivers.

Three test stands were built for inspecting vehicle braking systems.

Red kill zone systems were installed on 23 loaders and excavators in the company's branches in 2025.

Occupational health and safety (continued)

Risk Assessment

A workplace risk assessment was conducted using HAZID methodology. The study was carried out in 28 production units at Kazchrome. As a result, three unacceptable risks were identified, and 27 measures were implemented to minimize them.

In 2025, risk assessment work using the HAZID method will continue.

Mechanization of Manual Labor

Additional tools, fixtures and equipment were purchased to reduce the cost of manual labor and to mechanize labor-intensive operations and individual processes.

The People's Control Project

The People's Control Video Monitoring System Project has been completely implemented and is in operation at the Aktobe and Aksu Ferroalloys plants and at the Donskoy GOK. The project allows to strengthen the supervision of occupational safety and health. The main feature of the project is that the supervisors are former employees of the Company who are unable to work at the production facilities due to health reasons, as well as people with disabilities living in the region. Each of them remotely monitors the Company's compliance with all safety standards using video cameras. The monitoring is carried out 24 hours a day using stationary video cameras at the Aktobe and Aksu Ferroalloys Plants and personal video recorders at the Donskoy GOK.

Health Protection

Some types of work, if not managed proactively, can pose hidden health risks to our employees (e.g. potential exposure to dust particles, noise, vibration and heat). In this regard, comprehensive occupational disease prevention and wellness programs are implemented for all of our employees.

These include the following:

- Mandatory annual medical examinations,
- Pre-shift medical examinations for specific groups of employees,
- Assessment of health risks at the workplace,
- Providing appropriate medical care.

In order to dynamically monitor the health of Kazchrome employees, to detect general somatic diseases, the first signs of occupational diseases, all employees are subject to mandatory periodic medical examinations in accordance with the requirements of current legislation and internal regulations of the Company: pre-shift and post-shift examinations and annual periodic medical examinations.

In 2025, TNC Kazchrome JSC continued its efforts to prevent occupational diseases and improve the health of the Company's employees. Within the framework of obligatory periodic medical examinations, employees are additionally examined in order to determine their health status and decide on the necessity of additional diagnostic and treatment measures that employees undergo in the clinics of the own medical center. Health improvement programs are formed for employees who work in conditions with harmful production factors, depending on their nature.

Implementation of these health improvement programs continued in 2025. 7,704 Kazchrome employees received health treatment at the medical center. 16,276 employees underwent periodic medical examinations in 2025.

A project to automate pre-shift medical examinations at the Aksu Ferroalloys Plant was successfully implemented. The automation process continued at the Donskoy GOK and the Aktobe Ferroalloys Plant. Thirty-six ASMO machines were installed at the Aksu Ferroalloys Plant, 21 units at the Donskoy GOK, and 11 units at the Aktobe Ferroalloys Plant. More than 7,800 people undergo pre-shift medical examinations automatically. This project is primarily aimed to ensure that only employees in satisfactory health are admitted to the production area, since this is one of the key factors in preventing workplace injuries. In the future, the company plans to continue the process of medical care automation.

In 2025, the Company launched a Psychological Safety program. In 2025, more than 350 specialists, mostly foremen and section managers, completed training in psychological safety. This training aims to increase employees' knowledge of the role of psychological well-being in reducing the risk of occupational injuries and techniques for forming psychologically safe teams.

In addition, Kazchrome implements measures to monitor and regulate harmful and physical factors in accordance with the program of measurement of harmful and physical factors. In accordance with this program, the noise level at the workplace is measured once a year by an accredited laboratory. If necessary, measurements may be made more frequently. In order to prevent and combat the effects of noise in the production areas, employees are equipped with noise protection earplugs (ear muffs) or hearing protectors (provided by the regulations on the free provision of personal protective equipment). If the maximum permissible concentrations for dust emissions are exceeded, measures are developed to reduce the dust and gas contamination of the air in the work area and the heads of the departments are informed accordingly. Workplace certification is performed every five years.

Fire Safety

Kazchrome's facilities are equipped with fire extinguishers, fire alarms and automatic fire extinguishing systems in accordance with the fire hazard category of the facility and the requirements of the fire safety legislation of the Republic of Kazakhstan. All branches of Kazchrome are serviced by the Republican Central Headquarters of Professional Militarized Emergency Rescue Services LLP, which is equipped with professional emergency rescue equipment, tools and devices.

24 fires were reported in 2025. To ensure preparedness and a rapid response to emergencies, 1,854 emergency drills based on accident response plans and 47 training alarms were conducted in 2025.

In order to prevent and avoid fires in the Company's facilities, the Fire Safety Program was developed.

Occupational health and safety (continued)

Performance Indicators

Fatal Accidents

The company is deeply saddened by the deaths of one employee at the Aksu Ferroalloys Plant, one employee at the Donskoy GOK, and one employee of the contractor at the Donskoy GOK in 2025 (2024: one employee at the Aksu Ferroalloys Plant and two employees at the Donskoy GOK). We extend our sincere condolences to everyone affected by these tragic events. Fatal accidents are unacceptable, and we continue to work toward further reducing their frequency with the goal to achieve zero injuries.

All fatalities of the Company's employees have been thoroughly investigated to develop preventative measures and reduce the risk of recurrence. As a result of the investigations, the following actions have been taken:

- Разработана внутренняя инструкция, предусмат- An internal procedure has been developed that requires the mandatory purging of the borehole with compressed air during the drilling process.
- Drilling rig operators and mining foremen are equipped with continuous-monitoring devices (QRAE3 and Dräger 2500) to monitor hydrogen levels in the mine atmosphere. These devices are provided together with headlamps for use in lamp-lit shafts.
- Engineering and technical personnel and workers involved in underground operations have been trained in accordance with the approved program. Additionally, a separate guideline/leaflet on the use of gas analyzers and the APR-2 anemometer has been developed.
- Drilling of exploration, production, and auxiliary wells from the surface and from mine openings is carried out in accordance with the project, which includes measures to prevent gas emissions (blowouts), prevent open flames, and monitor atmospheric composition. Projects are developed by the Technical Department, coordinated with the Chief Surveyor and Chief Geologist of the enterprise, and approved by the Chief Engineer of the mine. All activities are aimed to ensure safety and prevent emergencies during the drilling process.
- 17 Senson stationary gas analyzers for detecting hydrogen in the air have been installed at designated locations in the mining block, on drilling and ventilation drifts, and in haulage tunnels.
- We have entered into the contract with the Kazakh Research Institute to conduct research aimed to determine the risk level of accidents and assess occupational safety based on multifactorial analysis and modeling.
- Fire-setting is prohibited in the excavation block of - 480-meter horizon.
- It is prohibited to begin work until a work management plan has been developed and approved.
- The design of cell No. 1 of RP-3 has been modified by relocating the high-voltage busbar disconnector from the lower compartment to the compartment above it.
- An audit and modernization of the portable grounding equipment inventory and inventory of all portable grounding devices were completed. Based on the identified needs, the procurement of modern, safe-to-use portable grounding devices was organized.
- A schedule was developed and implemented to verify the proper functioning and presence of mechanical locks (padlocks, latches) on the doors of closed switchgear and integrated switchgear compartments, preventing them from being opened without a key, which will be kept under the supervision of the person in charge.
- Options for cross-training in the organization and performance of work on electrical installations under work permits have been reviewed and proposed, specifically when the roles of responsible persons change, such as when the role of the person issuing the work permit is performed by the person performing the work, the role of the person performing the work is performed by the person authorizing the work, the role of the person authorizing the work is performed by a crew member, and so on.
- Continuous Monitoring procedure has been developed to ensure focused control over the safe execution of work through mandatory, multi-level monitoring of the organization and completion of work in electrical installations rated above 1,000 V.

Lost Time Injuries

45 work-related lost-time injuries (LTI) were recorded in 2025 (2024: 44), resulting in a lost-time injury frequency rate (LTIFR) of 1.23 (2024: 1.13).

Key Occupational Safety Indicators

Indicator	2023	2024	2025
Fatal accidents (employees and contractors)	3	3	3
Lost Time Injuries (employees and contractors)	41	44	45
Lost Time Injury Frequency Rate (LTIFR)	1.01	1.13	1.23
Accident severity rate	88.46	95.98	60.80
Fatal Accident Rate (FAR)	6.87	7.22	7.74



Human resources management

Management Approach

Employees are Kazchrome's most valuable asset and our equal partners in achieving strategic goals. The Company's priority is the well-being of all employees, the creation of decent working conditions and a favorable environment for their growth and development.

A key component of our approach to labor relations at Kazchrome is constructive interaction with employee associations on various issues such as salaries, social benefits and occupational safety. We respect the right of all employees to join trade unions and freely participate in the collective bargaining agreement. As of December 31, 2025, almost all of our employees were members of the collective agreement.

We strictly adhere to the principle of equal employment opportunity and provide fair working conditions without discrimination. This includes coverage of recruitment costs by the Company, safe and healthy working conditions for employees, fair evaluation of their contributions to the Company, assistance in developing their professional skills, open and constructive discussion of the quality and effectiveness of their work, and equal opportunities for career development. We treat our employees fairly, equally and without prejudice, regardless of origin, social, official and property status, gender, race, nationality, language, attitude to religion, beliefs, place of residence, age, disability or sexual orientation, as well as membership in public associations. Kazchrome values the experience and opinion of each employee and does not allow any discrimination.



We prioritize the implementation of innovative practices at all levels of our organization. In line with our values and strategic priorities, we emphasize the development of strategic skills and competencies of our employees, as well as building a talent pool and developing leadership potential. We take an integrated and forward-looking approach to talent management to ensure that we meet the current and future talent needs of our business. This is increasingly important given the shortage of young talent in the mining industry, the ongoing transformation of our business and the impact of technological change on the profile of industry occupations.

Our approach to labor relations is driven by the close relationship and interaction between our employees and local communities. We pay special attention to meeting the social needs of our employees and their families in the regions where we operate.

Through the ERG Center for Sports and Healthy Lifestyles, Kazchrome pays special attention to the more active involvement of employees in sports and healthy lifestyles.

Number and Structure of Employees

19,233 people
is the headcount at the end of 2025

39 years
is the average age of employees

106
new jobs were created in 2025

9.4%
is the share of employees hired in the reporting year

6.94%
is an average employee turnover rate in 2025

10.3 years
is the average length of service of employees

21.5% of employees
are women

4.3%
percentage of women in management positions (excluding the Board of Directors)

0.7%
cof the workforce are employees with disabilities

Human resources management (continued)

Headcount and Workforce Structure

The Company's headcount as of the end of 2025 was 19,233, 78.5% of whom were men and 21.5% women. The largest proportion of staff were in the 31 to 50 age group, accounting for 57.5%. Young people aged under 30 represented 23.0% and employees aged between 50 and 61 represented 17.7% of the total staff. Employees aged over 61 constituted 1.8%. The ethnic composition of the Company's workforce comprises Kazakhs, Russians, Ukrainians, Germans, Tatars, Uzbeks and other nationalities. Kazakhs account for 75.4% and other nationalities for 24.6% of the total staff.

106 jobs were created in 2025, representing 0.5% of the total headcount. The average staff turnover rate for 2025 was 6.94%, including managers, specialists and office staff at 5.84% and workers at 7.19%.

The Headcount as of December 31, 2025, pers.

Region	Men	Women
Aktobe region	10,264	2,861
Pavlodar region	4,716	1,238
Karaganda region	116	38
Total	**15,096**	**4,137**

Ethnic Composition of Employees as of December 31, 2025, %

Ethnic groups	Managers, specialists, office workers		Workers	
	Men	Women	Men	Women
Kazakhs	9.9	2.9	53.5	9.1
Russians	2.2	1.7	7.0	4.3
Ukrainians	0.5	0.4	1.7	0.9
Other	0.9	0.4	3.1	1.4

Employee Structure as of December 31, 2025, pers.

Category	Managers		Specialists, office workers		Workers	
	Men	Women	Men	Women	Men	Women
Up to 30 years old	212	14	287	139	3,305	469
31 to 50 years old	957	114	721	592	6,837	1,831
51 to 60 years old	216	55	144	139	2,130	722
Over 61 years old	27	1	27	8	284	2
Total	**1,412**	**184**	**1,179**	**878**	**12,556**	**3,024**



Key Issues and Initiatives

Remuneration and Motivation of Employees

The level of remuneration of Kazchrome employees is competitive in the labor market. The Company also takes into account the opinion of trade union organizations when developing compensation regulations.

The existing compensation system of the Company provides:

- An appropriate level of remuneration, which is in line with the level of large companies in Kazakhstan,
- A two-component system of remuneration, consisting of a fixed and a variable (bonus) part;
- Salary adjustments for staff in production departments, subject to the Company's financial capabilities.

When determining the level of the fixed component, the Company takes its cue from salary benchmarks in both Kazakhstan and neighbouring Russia. Over the past three years, the average salary of Kazchrome employees has increased by 48.7%.

The variable component depends on the employee's performance over a specific period and the Company's operational indicators. Engineering and technical staff are remunerated based on the results of an annual performance assessment. In 2025, 100% of engineering and technical staff underwent a performance assessment, representing 19.13% of Kazchrome's employees, including:

By category	
Managers	42%
Specialists	58%

By gender	
Women	71%
Men	29%

The Ratio of the Average Salary of Women to the Average Salary of Men as of December 31, 2025, %

Category	Aktobe region	Pavlodar region	Karaganda region
Managers, specialists, office workers	69.7	66.5	58.1
Workers	61.5	83.1	84.6

Note: The salary level for an identical position is the same for employees with the same qualifications. The gap is related to the share of men/women in the respective category and is not gender-related.

In 2025, 100% of Kazchrome employees received salaries above the subsistence rate.

We commit to:

- Continuously support and review salary levels to ensure they meet current decent salary standards, taking into account economic changes and regional characteristics within the Company's financial capabilities.
- Implement and improve internal monitoring and control procedures to ensure salaries comply with decent salary principles.
- Maintain transparency and openness on salary issues by informing employees and stakeholders about our policies and achievements in this area.
- Continue to cooperate with stakeholders and experts to improve working conditions and raise salaries.
- In addition, the Company commits to ensure 100% coverage of all employees whose salaries are above the subsistence rate in the region where the country operates.

Human resources management (continued)

Employee Competency Development

4.62%

is the percentage of the Company's employees who have undergone regular performance and career development reviews

39.63%

of the Company's employees have received professional training

The competency development system consists of competency assessment, the Company's personnel training and development plan, intra-group corporate training events, and the building and development of the talent pool for key positions.

The directions of the personnel training program include:

- Training required by the legislation of the Republic of Kazakhstan;
- Training based on the Company's corporate standards such as compliance , information security, corporate security standards;
- Training aimed at the development of professional competency;
- Corporate training programs aimed at supporting and introducing unified approaches to the Company's business processes, development and training of the Company's talent pool.

The structural departments of Kazchrome, including specialists from the Corporate University of ERG Service Center LLP, provide training for employees in their professions, retraining, advanced training, second profession training, as well as training for managers and specialists.

The need for development of employees' competencies is formed on the basis of the analysis of the strategic development plan, changes in Kazchrome's business processes, and an assessment of our employees' competencies. Based on the needs, an annual plan of professional training of personnel is prepared with a breakdown by types of training. Theoretical and practical training is provided both by external organizations and by qualified Kazchrome employees.

All new employees undergo introduction training, which includes:

- The issues of labor legislation of the Republic of Kazakhstan, rights and obligations of the employee and the employer in the area of occupational safety and health,
- The requirements of occupational safety, fire safety, industrial hygiene and other occupational safety issues,
- The risks and hazards existing in the Company, including IT, and appropriate control measures, as well as first aid rules;
- The process for investigating incidents and analyzing lessons learned.

All new workers admitted to the branches as apprentices of working professions shall undergo vocational training in the scope of requirements of qualification characteristics under the programs approved in the structural divisions. The period of training of new employees is determined according to the qualification and complexity of work in a given profession.

All branches of Kazchrome have training and computer classrooms equipped in accordance with modern requirements.

The Company continuously searches for candidates for inclusion in talent pools as part of the annual employee competency assessment program, as well as during large-scale events such as the League of Professionals and other leadership development programs. Team leaders, foremen, shop supervisors, section supervisors (87 people) participated in the League of Professionals.

1 For further details, see the "Ethics and Compliance" section.

Labor Relations

A holistic approach to labor relations means that Kazchrome gives priority to creating comfortable working conditions and meeting the social needs of employees and their families. Priorities in this area include:

- Continuously improving and standardizing working conditions for employees, as well as improving the package of social benefits provided;
- Improving the standard of living of employees and their families.

The Company maintains a direct dialogue with employees to ensure that their opinions on a wide range of issues, including working conditions, are always taken into account. Thus, since 2018, Kazchrome has been conducting sociological surveys of employee satisfaction and engagement.

Over 9,000 employees participated in the largest survey of the year, the employee satisfaction survey conducted in the second quarter of 2025. The survey determines not only the level of employees' job satisfaction in general, but also for various components of work activity (the level of remuneration, opportunities for professional and career development, relations with management, safety of working conditions, etc.).

At present, the measures for psychological support of Kazchrome employees are still being implemented:

- The reception of psychologists was organized in the clinics of the medical center in Aktobe, Aksu and Khromtau,
- Psychologists hold meetings with employees in the shops to conduct conversations and trainings regarding psychological health,
- A channel was created in Qollab, where all employees of the Company can receive information on the psychological health, learn about stress management techniques and get answers to frequently asked questions;
- Online sessions with psychologists and psychotherapists, etc.



Human resources management (continued)

Ensuring Comfortable Working Conditions

The Company provides its employees with a guaranteed social package aimed at improving the living conditions of employees and their families, as stipulated in the collective bargaining agreement and internal regulatory documents of the Company. Over the past three years, Kazchrome has allocated KZT 40.5 billion for the social protection of its employees, the main directions of which include medical care and medical examinations of all employees, transportation of employees to their workplaces, social support for employees and their families, childcare allowances, etc. In addition, the collective bargaining agreement provides for compensation for overtime, weekend and holiday work.

The Company's employees are granted additional paid vacation days for length of service in the metallurgical and mining industry. Additional paid leave days are granted to women prior to maternity leave and to women with two or more children under the age of 12.

The support programs for employees who have completed their work as a result of retirement or termination of employment are set forth in the collective bargaining agreement and also include allowances, compensation, bonuses, as well as guarantees of employment, retraining in a new profession at the expense of Kazchrome in the event of staff reductions.

Moreover, social guarantees are in place for temporary and part-time employees. In addition, Kazchrome maintains social facilities that are available both to its employees and to the population of the regions in which it operates.

The minimum period for informing employees about significant changes related to Kazchrome's operations is regulated by the Labor Code. In the case of changes in working conditions, the company must notify the employee in writing at least thirty calendar days in advance.

Any employee of our Company who has a concern or suspicion that another employee or business partner has violated the provisions of the ERG Code of Corporate Conduct may report the matter either to his or her immediate supervisor, a more senior manager, the Compliance Officer or the Company's General Counsel, or by contacting the ERG Hotline (including anonymously). The ERG Hotline is available 24 hours a day, seven days a week and is a completely confidential communication channel operated by an independent operator.

In addition, employees may discuss HR-related issues with their local human resources management division.

Improving the Standard of Living for Employees

The Company invests in the social infrastructure in the regions where it operates, including medical centers, sports, cultural and recreational facilities, and a wide range of training programs to promote the social and economic development of the region and the employment prospects of local residents, including the children of employees.

Maintaining a Healthy Lifestyle for Employees

In 2025, Kazchrome continued to take a holistic approach to supporting the healthy lifestyle of its employees. This approach emphasizes the involvement of our employees in sports and lifestyle improvement.

The Company offers its employees the opportunity to attend a number of fitness centers free of charge or at a substantial discount. The Company has implemented programs designed to foster a culture of healthy living. These include training sessions with psychologists, as well as competitions with incentives for achieving specific physical goals. To encourage and recognize employee achievement, Kazchrome provides financial support for employees participating in local, national, and international competitions in various disciplines.

During 2025, the Company hosted several sports events and competitions, including the Summer/Winter Health Festival, as well as public holiday competitions organized jointly with the Trade Union Committee.

Additionally, employees engaged in the following sport activities:

- Kazchrome – Duathlon 2025 is an urban sports competition held in Aktobe in honor of the Day of Metallurgists. All funds raised and contributions from the competition were donated to charity;
- The Trade Union Sports Festival in Astana in 2025, with the participation of the Company's subsidiaries;
- Various municipal, regional and national competitions.

Performance Indicators

~100%
of the Company's employees are parties to the Collective Labor Agreement

~100%
of the Company's employees have officially elected representatives

In 2025, the Company did not identify any cases of discrimination or infringement of employees' rights to freedom of membership in associations and collective labour agreements.



Furthermore, there were no appeals with confirmed cases of labor relations violations in 2025.

Employee training data for 2025

Indicator	All employees	By employee category		By gender group	
		Managers, specialists and office workers	Workers	Men	Women
Average number of training hours	24.30	33.51	66.49	82.24	17.76

In 2025, the percentage of staff who had undergone training was 39.63%, and the total number of training hours was 190,004.

During the reporting year, the Company allocated over KZT 13,994 million for social protection of its staff.

The number of employees on parental leave until their child reached the age of three was 444 as of the end of 2025, including 12 men.

Good environmental governance

Management Approach

Kazchrome is dedicated to the preservation and maintenance of a healthy natural environment through the implementation of practices that support sustainable development in the regions where it operates. This entails the responsible management of natural resources and environmental issues, including impacts on climate change and waste management.

The core business activity of Kazchrome's divisions is the production of ferroalloys and the development of ferroalloys production technology, the mining of chromium ore, and the processing of chromium and manganese ores. The production processes involve a wide range of activities and give rise to a significant number of potential and actual environmental impacts.

The most significant of them have been identified as:

- Air pollutant emissions and wastewater discharges;
- Land use and impact on soil;
- Waste generation and disposal;
- Use of natural resources (water, fuel, energy) and raw materials.

Environmental factors that have a significant impact on the environment are necessarily taken into account when setting strategic goals and planning measures to manage the environmental aspects of the Company.

Prior to implementing any major project or operational change, Kazchrome conducts a comprehensive Environmental Impact Assessment and public hearings according to the requirements of the legislation of the Republic of Kazakhstan and applicable international standards. All modernization and expansion projects implemented by the Company have successfully passed the mandatory State Environmental Expert Review.

Kazchrome has the Policy that meets the expectations and requirements of the Company and its stakeholders and ensures that the environmental management system meets the requirements of international standards and best international practices. In addition, the Policy ensures that the Company complies with the requirements of the Environmental Code of the Republic of Kazakhstan.

In order to monitor the environmental impact of its operations, the Company's branches perform industrial environmental control, which involves quarterly environmental monitoring of emission sources (emissions, discharges, waste). Monitoring during 2025 was carried out on the basis of industrial environmental control programs by specialists of the accredited environmental protection laboratory of the divisions and experts of specialized organizations under contracts. Reports on the implementation of the industrial environmental control program were quarterly posted in accordance with the legislation of the Republic of Kazakhstan at the portal *https://ndbecology.gov.kz.*

The primary areas of focus for environmental protection management include:

- Reduction of emissions and pollutants discharge;
- Conservation of water resources;
- Restoration of disturbed lands;
- Waste management;
- Biodiversity conservation;
- Improving the efficiency of environmental monitoring.

The Company's environmental management system complies with the ISO 14001:2015 standard – Environmental Management Systems (certified by the international certification body CERT International s.r.o. in 2025). The Company has also confirmed its compliance with the requirements of ISO 50001:2018 upon completion of the recertification audit by the international certification body CERT International s.r.o. in 2025.

The independent international environmental audit at the Aktobe Ferroalloys Plant, which was launched in November 2024 by SGS Kazakhstan LTD—an international leader in inspection services, certification and environmental expertise—was completed in 2025. The independent environmental audit was conducted to establish the compliance of the Aktobe Ferroalloys Plant's operations with the requirements of the Republic of Kazakhstan's current national environmental legislation, as well as with the requirements of the relevant guidance documents under the EU IED Directive (Best Available Techniques (BAT) and Best Available Techniques Reference Documents (BREF)). The audit findings confirmed that the operations of the Aktobe Ferroalloys Plant comply with the requirements of the environmental legislation of the Republic of Kazakhstan and the relevant guidance documents of the EU IED Directive.

The strengths of the Aktobe Ferroalloys Plant have been identified:

- Timely submission of all necessary reports;
- Financial protection against potential environmental risks;
- Minimization of environmental components contamination;
- Gradual improvement of the production's environmental indicators and reduction of its negative environmental impact based on the developed and implemented programme for the transition to the best available technologies.

Furthermore, experts from SGS completed work in 2025 on compiling the Environmental Declaration for ferrochrome in accordance with the requirements of ISO 14025:2006 and EN 15804:2012+A2: 2019/AC:2021, covering all indicators of the product's environmental impact and carbon footprint. The implementation of this initiative helped to increase interest in the products and strengthen confidence in the products of TNC Kazchrome JSC at the international level, as the environmental declaration contains reliable and transparent information on the products' environmental impact throughout their life cycle.

In general, the equipment installed in the Company's divisions fully meets the requirements of environmental legislation.

Environmental risks are managed and decisions are made in accordance with the findings of an appropriate assessment. Based on the results of the assessment, we develop and implement measures to minimize the identified risks. During 2025, an environmental risk assessments were conducted in 28 departments of the Aksu Plant, 17 departments of the Aktobe Plant, 27 departments of the Donskoy GOK, and three departments of the Kazmarganets Mining Enterprise

As part of our commitment to continuous improvement in production, we provide regular training for our employees in environmental protection. In 2025, the employees of the company's environmental protection service underwent training on the following topics:

- International IMS auditor in accordance with the ISO 9001/DIS, ISO 9001:2025, ISO 14001, ISO 50001, ISO 45001/DIN EN, ISO 45001:2023 (all ISO standards with Amendment No. 1 of 2024), ISO 19011, with overview of ISO 31000:2018 requirements.
- Management System Representative for Integrated Management Systems based on ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 50001:2018, with overview of requirements.
- Training of internal management system auditors based on ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 50001:2018.
- Environmental management system representatives in accordance with the requirements of ISO 14001:2015
- Updating knowledge and enhancing the skills of internal auditors of the Integrated Management System (IMS) in accordance with ISO 9001, ISO 14001, ISO 45001, ISO 50001».

Good environmental governance (continued)

Air and Water Impact Management

Key control measures to identify, prevent and/or reduce pollutant emissions to local water supplies and air include the following:

- Treating air pollutant emissions (exhaust gas treatment, advanced gas cleaning systems for metallurgical operations, dust collection systems and tree planting);
- Wastewater treatment and water reuse (wastewater monitoring, wastewater treatment processes, including mine and mine water for environmental protection);
- Waste management (recycling, sorting, reuse of waste, extended producer responsibility mechanism, waste management programmes);
- Automated monitoring system for organized sources of pollution, in accordance with the Regulations on automated monitoring systems for emissions into environment in the course of industrial environmental monitoring;
- Automated monitoring system in the sanitary protection zone;
- Instrumental measurements at emission sources and in ambient air by the accredited laboratory;
- Continuous ambient air and water quality monitoring.

Key Issues and Initiatives

In 2025, as part of ERG's environmental strategy in Kazakhstan, measures were implemented at Kazchrome's facilities to mitigate negative environmental impacts. These included the following:

Air quality improvement

- As part of the renovation of the existing gas treatment equipment at the Aksu Ferroalloys Plant, a new 'dry' type Gas Treatment Plant for Furnace No. 42 was put into operation in May 2025. Construction of the facility was started in 2022. The gas cleaning system was implemented based on equipment that increased the efficiency of the aspiration system from 97% to 99.5%, and dust emissions concentration was reduced from 20 to 10 mg/nm³. The project led to an annual reduction of dust emissions by 218 tons in 2025.
- As part of the renovation of the existing gas treatment equipment at the Aksu Ferroalloys Plant, 2,688 filter bags in the Gas Treatment Plant of Furnace No. 43 were replaced in 2025.
- Replacement of bag filters on six 'dry' Gas Treatment Plants for ferroalloy furnaces at the Aksu Ferroalloys Plant.
- Annual measures were carried out to control dust and stabilize the surface of the slag disposal area.
- As part of dust control and tree-planting activities in 2025, and in accordance with the Environmental Strategy for Tree Planting, Kazchrome's subsidiary companies planted: 3,000 seedlings in Altyn Orda district and 2,000 seedlings within the sanitary protection zone in Aktobe by the Aktobe Ferroalloys Plant; 7,000 seedlings in Khromtau by the Donskoy GOK.
- In accordance with the legislation of the Republic of Kazakhstan, a programme of industrial environmental monitoring has been developed at all Kazchrome branches, whereby quarterly monitoring of emission sources equipped with air purification systems is implemented.

Protection of Land Resources

- In 2025, the Aksu Ferroalloys Plant processed 1.63 million tons of high-carbon ferrochrome slag, compared to the planned annual volume of 940 thousand tons. This type of waste is the largest in terms of volume, with approximately one million tons generated annually; the volume processed exceeds the volume generated.
- In 2024, the Aksu Ferroalloys Plant utilized 6 thousand tons of dust from ferroalloy production in the Agglomeration Shop, compared to 5 thousand tons planned per year.
- In 2025, the Aktobe Ferroalloys Plant processed 681.6 thousand tons of slag from the production of high-carbon ferrochrome, compared to a targeted volume of 622.5 thousand tons.
- Aspirated dust from SS No. 1 and No. 4 was utilized at the Aktobe Ferroalloys Plant in the production of brex. According to the planned targets, a reduction in waste disposal of 40,000 tons was envisaged for 2025; the actual reduction in dust stockpiling was 54,925.45 tons.
- 211 thousand tons of mature slag from the production of refined ferrochrome was processed at the Aktobe Ferroalloys Plant.

Water Use Efficiency Improvement

- At the Donskoy GOK, to prevent excessive discharges and due to outdated treatment facilities, the Company continued to replace treatment facilities for rainwater and domestic wastewater at the industrial site of the 10th Anniversary of Kazakhstan's Independence mine. In 2024, rainwater and domestic wastewater treatment facilities were built at the industrial site of the 10th Anniversary of Independence of Kazakhstan mine. However, due to the revealed inefficiency of the wastewater treatment process, these facilities were not taken onto the books of the Donskoy Ore Mining and Processing Plant. The work is currently underway to eliminate the revealed inconsistencies in the treatment process. The wastewater treatment facilities can be transferred to the city's balance sheet after stable wastewater treatment efficiency indicators have been achieved. The measures to return mine water to production are also continued to eliminate discharge into the environment completely.



Good environmental governance (continued)

Performance Indicators

In 2025, the Company did not receive any significant environmental regulatory complaints against the Company.

In 2025, Kazchrome did not encounter any unusual circumstances that resulted in a notable increase in environmental pollution. Furthermore, there were no instances of emergency or irregular discharges of pollutants.

Investments in Environmental Protection, thous. KZT

Indicators	2023	2024	2025
Waste management	23,760,481	23,333,662	25,046,849
Air quality protection	20,938,677	5,758,676	7,143,992
Water resource protection	6,563,079	5,927,958	4,377,601
Land reclamation	52,490	193,761	228,489
Major overhaul of fixed assets relating to environmental protection	1,439,567	493,942	194,401
Total	**52,754,294**	**35,707,999**	**36,991,332**

This investment increase to environmental protection measures is linked to the implementation of various activities, including increased costs for in-house waste processing and transfer of waste to recycling companies; increased maintenance costs to ensure the continued efficiency of gas-treatment equipment; and commencement of reclamation work at the Tur mine.

Water Consumption, m³

Indicator	2024	2025
Total fresh water consumption, including:	**25,108,025**	**24,338,806**
Surface waters	10,757,838	10,429,231
Ground water	14,350,187	13,909,575
Wastewater volume	**5,811,602**	**3,516,646**

The volume of wastewater decreased by 2,294,956 m³ (-39.5 %) compared with 2024, due to a reduced discharge of mine and mine water onto the surrounding terrain as a result of diverting this water into the water recycling system and using it for the company's technical needs.

Volume of pollutant discharge into the environment, tons

Division	2022	2023	2024
Kazmarganets Mining Enterprise	4.120	3.483	3.046
Donskoy GOK	2,377	1.504	0

In 2025, there were no pollutant discharges from the Donskoy GOK. This was due to the transfer of the municipal wastewater treatment works to municipal ownership, and the use of mine water and treated wastewater in the water recycling systems of production facilities. Kazchrome does not discharge into open water bodies and has no impact on water bodies or their associated ecosystems.

Treated effluent from the Kazmarganets ME is discharged onto the surrounding terrain. Compared to the previous year, the reduction of the actual volumes of pollutant discharges at the Kazmarganets ME is due to decreased resident staff number, which resulted in lower consumption volumes.

The Aktobe and Aksu Ferroalloys Plants do not discharge into the environment.

Waste Management

Waste management in production is implemented by the Company in accordance with the applicable requirements of the Environmental Code of the Republic of Kazakhstan and the international environmental management system.

In accordance with the requirements of the Environmental Code of the Republic of Kazakhstan and the Waste Classification System of the Republic of Kazakhstan, waste generated at Kazchrome's branches is categorized as hazardous and non-hazardous.

As with any mining and metallurgical company, Kazchrome's production activities generate waste from the mining of metalliferous ores; unprocessed slag (from ferroalloy production); other slime not specified in the waste classification system; solid waste from gas treatment containing hazardous substances; and other production waste. A full list of waste, the waste management system, and limits on waste accumulation and disposal are set out in the regulatory document – the Waste Management Programme.

The collection, transport, treatment and/or disposal of hazardous waste are carried out by independent specialized companies. As part of this process, contractors are checked to ensure they have the necessary production facilities, equipment, transport and qualified personnel, along with the relevant environmental permits, notifications and licenses. Moreover, procedures are established for the processing, reuse, destruction or disposal of waste by contractors.



Good environmental governance (continued)

Key Issues and Initiatives

ERG Recycling

ERG Recycling supports Kazchrome's enterprises by implementing measures for waste recycling, reuse and commercial utilization. The company's activities help to reduce the enterprises' environmental obligations and maximize the value of their assets, in line with the principles of the circular economy.

Work as part of initiatives for waste processing, recycling and commercial utilization is implemented at the Aktobe Ferroalloys Plant, where the processing of 'historically accumulated' slag, including finely dispersed slag, continues, with chromium concentrate being produced, which is then recycled back into production, as well as aggregates that can be used to make building materials and in road construction. A new concrete batch plant has also been put into operation. It produces high-strength concrete and concrete-based products, using as raw materials the aggregates generated from the processing of historically accumulated slag.

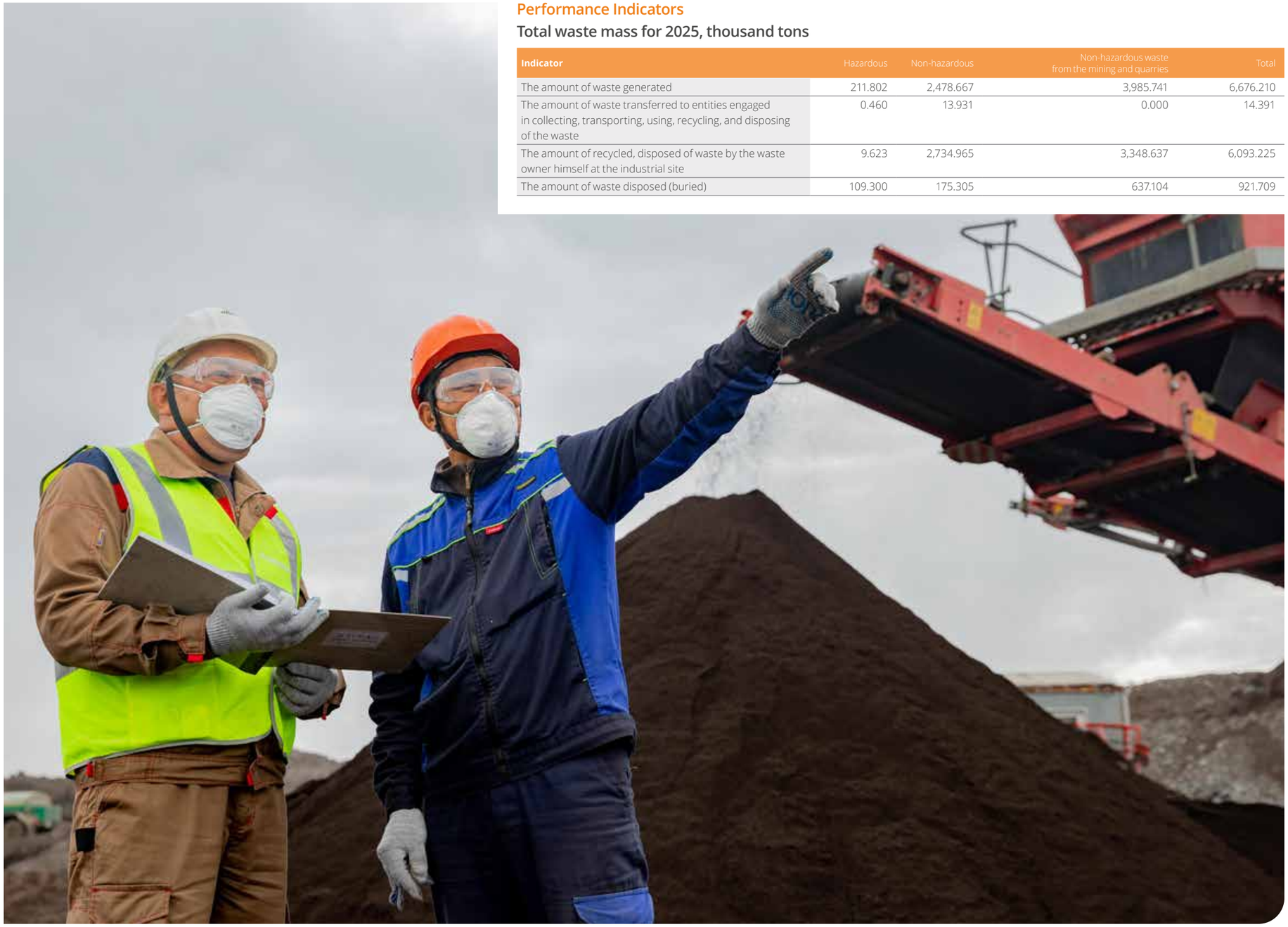
The Donskoy GOK continued to extract substandard and 'lost' ore from the waste generated during metal-bearing mineral (overburden) mining, which contributed to increased ferrochrome and Chromium ore production. Construction of a new Slime Tailings Processing Plant was also completed as part of the ERG Green project. This facility uses innovative technology to significantly increase the enrichment of slime tailings, recovering up to 55% of the chromium oxide they contain. The complex will eventually produce more than 500 thousand tons of chromium concentrate per year, and its operation will reduce the environmental impact of the plant's slime tailings.

In 2025, the separate waste collection project was continued to facilitate further specialized waste management.

Performance Indicators

Total waste mass for 2025, thousand tons

Indicator	Hazardous	Non-hazardous	Non-hazardous waste from the mining and quarries	Total
The amount of waste generated	211.802	2,478.667	3,985.741	6,676.210
The amount of waste transferred to entities engaged in collecting, transporting, using, recycling, and disposing of the waste	0.460	13.931	0.000	14.391
The amount of recycled, disposed of waste by the waste owner himself at the industrial site	9.623	2,734.965	3,348.637	6,093.225
The amount of waste disposed (buried)	109.300	175.305	637.104	921.709



Good environmental governance (continued)

Energy and Climate Change

The Company's management system is certified according to ISO 50001 requirements. Its own natural gas-fired power plant provides about 27% of the electricity needs of the Aktobe Ferroalloys Plant. In 2025, the Company continued to increase the proportion of its power consumption sourced from renewable energy sources (RES).

As part of intra-group cooperation between ERG enterprises, supply of power generated by Kazakhstan Aluminium Smelter JSC at the Khromtau wind farm (hereinafter 'KAS JSC') covered about 34% of the Donskoy GOK's annual electricity requirements. Furthermore, the purchase of electricity via Accounting and Finance Center for Renewable Energy Support LLP enabled the Aktobe Ferroalloys Plant to cover approximately 34% of its annual power consumption with electricity generated from renewable energy sources.

Kazchrome pays close attention to climate change issues and implements initiatives aimed at reducing greenhouse gas emissions, including improving energy efficiency in production and developing its own renewable energy generation capacity (more details below).

In 2025, the Perimeter Kazakhstan ESG Committee continued to develop long-term ESG targets and action plans, including targets to increase the share of renewable energy sources and reduce greenhouse gas emissions.

The implementation of the decarbonisation strategy is ongoing, based on the following objectives:

- Reduce the carbon footprint of our main products (ferrochrome, aluminum and iron ore pellets) by 30% by 2035,
- Achieve carbon neutrality by 2050.

The introduction of the Strategy is an important step in actively preparing for significant changes in the regulatory framework and market conditions expected in the context of decarbonisation in Kazakhstan and in key markets for ERG products. To this end, initiatives are being implemented in the field of renewable energy, the use of natural gas, modernization and electrification of production facilities, energy efficiency improvement and utilization of waste process gases generated by the production of ferroalloys to generate electric power.

Climatic objectives

ERG Kazakhstan's decarbonisation strategy, which applies to Kazchrome (Chromium Division), establishes measurable and time-bound targets: 30% reduction in the specific carbon footprint of key products, including ferrochrome, by 30% by 2035 compared to the 2021 baseline (Scopes 1 and 2), which will enable absolute greenhouse gas emissions to be reduced by 6 million tons of CO2-eq. (approximately 20%) by 2035; the achievement of carbon neutrality ('net-zero') by 2050. The medium-term target will be achieved by implementing a portfolio of projects under the decarbonisation programme, with progress assessed annually against the target trajectory.

Key Issues and Initiatives

Energy Efficiency Improvement

In 2023, energy efficiency targets for Kazchrome and other ERG companies in Kazakhstan have been agreed by the Government of the Republic of Kazakhstan.

Examples of strategic projects that have the potential to significantly improve the energy efficiency of Kazchrome include the following:

- Potential heat recovery projects at the Aksu and Aktobe Ferroalloys Plants;
- Possible replacement of compressor systems with more efficient equipment at the Aksu and Aktobe Ferroalloys Plants.

In 2025, the implementation of the project for the construction of utilization power plant fired by ferroalloy gas at Smelting Shop No. 4 of the Aktobe Ferroalloys Plant started. The project provides for introduction of the best available technologies to utilize ferroalloy gas, which was previously flared, and then use it to generate electrical power. The project's implementation will provide the plant with its own alternative energy source with 80 MW installed capacity, improve energy efficiency and significantly reduce atmospheric emissions. The power plant's start-up is scheduled for 2027.

Renewable Energy Sources

Kazchrome continues to develop renewable energy projects as part of its efforts to contribute to Kazakhstan's national renewable energy generation targets.

Initiatives for the development of a portfolio of renewable energy projects are in progress.

One of the key projects is the start-up of the Khromtau wind farm of Kazakhstan Aluminium Smelter JSC in 2025, with 150 MW installed capacity, located in the Donskoy GOK area. The facility was put into operation in 2025, and supply of power generated from renewable energy sources to the ERG Group's enterprises has been underway from the beginning of the year. The main consumer of the 'green' power generated is Donskoy GOK, as well as the Aktobe Ferroalloys Plant. 198,000 MWh of 'green' power was generated in 2025, resulting in greenhouse gas emissions reduction by 167,000 tons of CO□ (eq.). The project also has the potential for further expansion of wind power generation capacity through additional power plant construction with up to 100 MW of installed capacity.

Performance Indicators

Energy consumption, MWh

Type of use	Energy source	2024	2025
Direct	Coal	793,890	825,556
	Natural gas	2,985,002	3,390,833
	Diesel fuel	280,556	249,722
	Fuel oil	41,667	89,444
	Petroleum	8,333	7,500
	Total	**4,109,448**	**4,563,055**
Indirect	Electric power	7,740,840	8,057,778
	Thermal energy	41,389	30,000
	Steam	36,389	32,778
	Total	**7,818,618**	**8,120,556**
Total		**11,928,065**	**12,683,611**

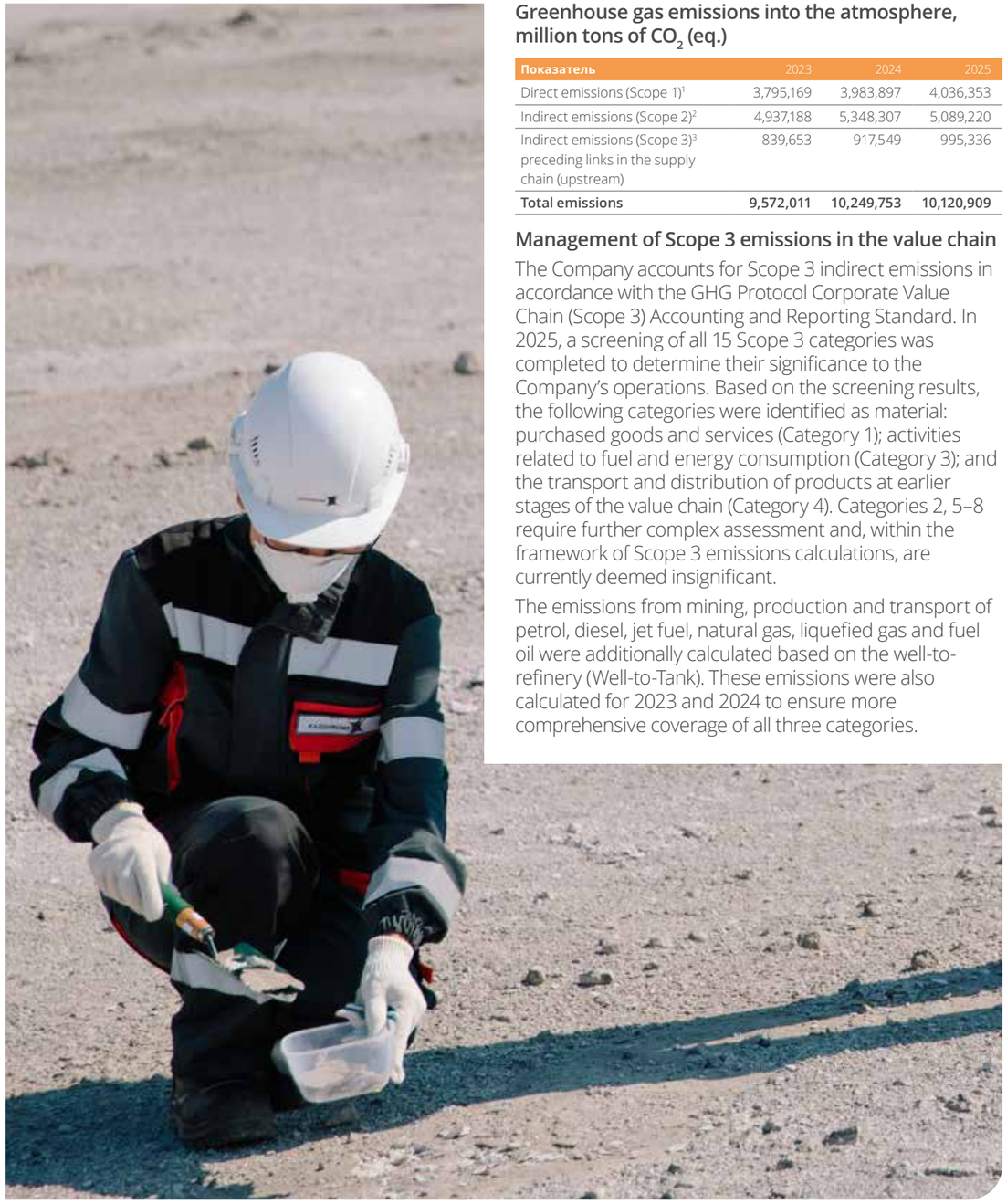
The energy consumption indicator in 2025 was 6.912 MWh per ton of ferroalloys produced (2024: 6.395 MWh).

In 2025, the Kazchrome TNC enterprises continued to implement energy efficiency measures aimed to reduce energy consumption and improve the efficiency of production processes.

In 2025, the consumption of renewable energy by Kazchrome was 1,480,119 MWh, or 17.3% of total electricity consumption.

The renewable electricity purchased was generated at wind and solar power stations in Kazakhstan, including the Khromtau wind farm of Kazakhstan Aluminium Smelter JSC, part of the ERG Group, which was put into operation in 2025 with installed capacity of 150 MW.

Good environmental governance (continued)



Greenhouse gas emissions into the atmosphere, million tons of CO_2 (eq.)

Показатель	2023	2024	2025
Direct emissions (Scope 1)[1]	3,795,169	3,983,897	4,036,353
Indirect emissions (Scope 2)[2]	4,937,188	5,348,307	5,089,220
Indirect emissions (Scope 3)[3] preceding links in the supply chain (upstream)	839,653	917,549	995,336
Total emissions	**9,572,011**	**10,249,753**	**10,120,909**

Management of Scope 3 emissions in the value chain

The Company accounts for Scope 3 indirect emissions in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. In 2025, a screening of all 15 Scope 3 categories was completed to determine their significance to the Company's operations. Based on the screening results, the following categories were identified as material: purchased goods and services (Category 1); activities related to fuel and energy consumption (Category 3); and the transport and distribution of products at earlier stages of the value chain (Category 4). Categories 2, 5–8 require further complex assessment and, within the framework of Scope 3 emissions calculations, are currently deemed insignificant.

The emissions from mining, production and transport of petrol, diesel, jet fuel, natural gas, liquefied gas and fuel oil were additionally calculated based on the well-to-refinery (Well-to-Tank). These emissions were also calculated for 2023 and 2024 to ensure more comprehensive coverage of all three categories.

The fact that the bulk of the raw materials used are produced within the ERG's scope allows Scope 3 emissions to be calculated upstream along the value chain using actual data from internal divisions and other enterprises within the ERG Group. For materials and services procured from outside the ERG Group, industry-average coefficients are applied, based on data from national statistical reports and other reliable sources.

Climate considerations are integrated into procurement activities: in accordance with the Methodology for Supplier Management and Screening, approved in 2025, the assessment of suppliers' compliance with ESG standards during certification on the ERG procurement portal includes the Climate Change Risk Management section, and, with equal scores in competitive tendering procedures, preference is given to the supplier who has provided information on greenhouse gas emissions in tons of CO□ per unit of output and who has the best performance in reducing them. The ERG Group is committed to implementing joint projects and research and development initiatives with suppliers to reduce greenhouse gas emissions during the production process. For more information on engagement with suppliers, including ESG screening, incentives and acknowledgement of suppliers' achievements in the field of sustainability, please see the Sustainable Procurement section.

Biodiversity

Biodiversity is essential to the well-being of the environment. Therefore, the management of biodiversity issues is based on the following principles:

- Environmental impact identification and assessment;
- Implementation of preventive and precautionary measures;
- Continuous improvement of the environmental management system.

Kazchrome's production facilities are located in the Karaganda, Aktobe and Pavlodar regions. They are far from major surface water bodies (with the exception of the Aktobe Ferroalloys Plant). There are no nature reserves, specially protected natural areas, or sites of cultural heritage in the vicinity of the Kazchrome production facilities.

No unique, rare and valuable animal communities requiring protection have been recorded in the area of the fields of the Karaganda region. About 20 rare, endemic and relict animal species are listed in the Red Book of Kazakhstan. They live on the territory of the Aktobe region, away from Kazchrome's operations. The fauna of the adjacent territory in the Pavlodar region has adapted to living in open landscape conditions, as a result of which a certain community of animals and birds has developed. Therefore, no additional impact on the composition of species, abundance of fauna, habitat, breeding conditions has been detected.

When working in the field, all employees are warned of the need to preserve rare species of wildlife. Hunting animals and trapping birds is prohibited.

In 2025 (for the tenth consecutive year), Kazchrome continued to implement the Ilek stocking project together with fishery inspectors. For this purpose, the Company allocates approximately KZT 5 million annually.

The impact of Kazchrome's operations on flora and fauna can be considered acceptable.

1 Scope 1 means operational emissions related to the production of ferroalloys.
2 Scope 2 means greenhouse gas emissions resulting from the consumption of electric and thermal energy, both generated at Kazchrome and purchased from third-party suppliers not owned by Kazchrome and not under its control.
3 Scope 3 takes into account all indirect greenhouse gas emissions associated with mining, production and transport of fuel, raw materials and other materials consumed by Kazchrome in the course of all production processes.

Local community development and welfare



Respect for human rights is essential to the sustainable development of the Company and local communities in the regions where it operates.

One of Kazchrome's priorities is to promote the social and economic development and welfare of local communities in the region where it operates. This includes, but is not limited to, continuous engagement with local communities and adherence to international environmental standards, improving the living conditions and welfare of the population, and supporting entrepreneurship and developing the business environment.

When engaging with local communities, the Company respects human rights, cultural heritage and traditions of local communities, works with them to assess the potential impacts of its activities, with particular attention to risks, impacts, mitigation and monitoring, and incorporates feedback received into project planning and social investments.

Local Community Impacts

Environmental management systems that comply with international standards are used to manage impacts on local communities. They are primarily focused on identifying, preventing and/or minimizing harmful emissions to local water bodies and the atmosphere.

Prior to implementing any major project or operational change, Kazchrome conducts a comprehensive Environmental Impact Assessment and public hearings according to the requirements of the legislation of the Republic of Kazakhstan and applicable international standards. All modernization and expansion projects implemented by the Company have successfully passed the mandatory State Environmental Expert Review.

In 2025, public hearings were held related to the following operational changes:

- A report for the potential environmental impact of the project Construction of Leisure Cottages at the Fakel Resort for the Aksu Ferroalloys Plant, a branch of TNC Kazchrome JSC;
- Draft emission standards relating to permissible emission limits, and the Waste Management Programme of Heat Station, a branch of TNC Kazchrome JSC;
- Draft standards for permissible emissions into the atmosphere. Waste management programme for the Aksu Ferroalloys Plant, a branch of TNC Kazchrome JSC, for 2025–2033;
- Draft emission standards for the Aktobe Ferroalloys Plant – a branch of TNC Kazchrome JSC for 2025–2034;
- Report on Potential Impacts to the Project for the Tur Mine Abandonment, Kazmarganets ME, in the Nurin District of Karaganda Region;
- Environmental Protection part to the Project for the Tur Mine Abandonment, Kazmarganets ME, in the Nurin District of Karaganda Region;
- Partial revision of the integrated environmental permit for the Donskoy Ore Mining and Processing Plant – a branch of TNC Kazchrome JSC;
- Report on Potential Impact to the Project for Remediation of Chromium Ore Mining at the Yuzhny Mine, part of the 'XX Years of the Kazakh SSR' deposit in the Khromtau District, Aktobe Region, the Donskoy Mine of the Donskoy GOK – a branch of TNC Kazchrome JSC;
- Report on Potential Impact relating to the Mining Plan for the Geofizicheskoe VI chromium deposit;
- Draft Addendum to the Abandonment Plan for the '40 Years of the Kazakh SSR – Molodezhnoe' deposit, Molodezhnaya mine, and a calculation of the approximate cost of mitigating the consequences of subsoil use in relation to the further exploration of the Geofizicheskoe VI deposit of the Donskoy GOK – a branch of TNC Kazchrome JSC;
- Programme to improve environmental performance for 2025–2034 for the Donskoy GOK – a branch of TNC Kazchrome JSC, located in the city of Khromtau, Aktobe Region;
- Plan for the remediation of subsoil use consequences (the Centralnyi tailings dump of the Slime-2 project) at the No. 1 Crushing and Beneficiation Plant (DOF-1);
- Plan for the liquidation of the 40 Years of the Kazakh SSR – Molodezhnoe chromium deposit, Molodezhnaya mine, including amendments relating to the further exploration of the Geofizicheskoe VI deposit of the Donskoy GOK – a branch of TNC Kazchrome JSC, and a calculation of the approximate cost of subsoil use consequences liquidation;
- Plan for liquidation of chromium ore mining operations consequences at the Geofizicheskoe VI deposit of the Donskoy GOK-a branch of TNC Kazchrome JSC.

Moreover, the Donskoy Ore Mining and Processing Plant does not build housing in areas adjacent to its production territory. The Aksu plant is located outside the city limits. There are no residential buildings in the vicinity of the plant. There are also no construction works in the area of the Aktobe plant.

We ensure that appropriate mechanisms and procedures for handling complaints are in place at all our enterprises. In Kazakhstan, these include comprehensive impact assessments, as well as public hearings, when implementing major projects or in the event of significant operational changes.

Kazchrome regularly organizes eco-tours involving the public, representatives of relevant organisations and other stakeholders. These eco-tours are intended to ensure transparency in the company's operations, to familiarize participants with environmental protection measures, production processes and ongoing environmental initiatives, and to foster constructive dialogue with the public.

As part of the Zhasyl Kazchrome corporate movement, employees plant trees annually.

Local community development and welfare (continued)

Social Investments

In 2025, the Regional Development Program continued to support long-term social and economic development in the region of operations. The program is implemented in partnership with government authorities at the national and regional levels, including through regional Memoranda of Mutual Cooperation.

The program is based on the results of the analysis of the development needs of the region, which are identified through annual sociological surveys.

Priority areas include the following:

- Improvement of living standards (including housing and communal infrastructure, public transportation and improvement of backyard areas),
- Implementation of educational projects ERG Mektepke and ERG for Colleges, support of educational institutions (e.g. Aksu College of Ferrous Metallurgy, Khromtau Mining and Technical College, Aktobe College of Transport, Communications and New Technologies, K. Zhubanov Aktobe Regional University NJSC and others),
- Support for sports and a healthy lifestyle.

Social Investments, million KZT

Type of investment	2023	2024	2025
Direct investments	3,889	9,467	531
Memoranda of mutual cooperation	4,975	6,203	4,075

In 2025, Kazchrome allocated funds for the construction of an indoor swimming pool in Khromtau.

In addition, Kazchrome continued to implement the Tugan Qala (Hometown) program in Aksu and Khromtau. Under this program, the local population is involved in the distribution of funds allocated by the Company under memoranda with local administrations by submitting their ideas for social projects on the online portal tugan-qala.kz. These projects are aimed at improving the urban environment, including arrangement of public parks, children's and sports grounds, organization of street lighting and landscaping. As part of the project, residents not only submit ideas for improving social infrastructure, but also vote for the most interesting projects and monitor their implementation. The initial evaluation of submitted ideas is conducted by a panel of experts representing a wide range of stakeholders. The final selection of the winning projects is based on the results of online voting among local residents. In 2025, 10 projects have been selected for the implementation of the Tugan Qala project in Khromtau, and 16 projects in Aksu to improve the territory of yards and streets, purchase and installation of universal sports fields, children's playgrounds, creation of murals, holding of sporting and cultural events, etc.



Ethics and compliance

The fundamental principle followed by ERG in conducting its business is to ensure that all of its activities comply with all applicable laws and regulations, as well as the highest ethical standards of business conduct. ERG adheres to high ethical standards of doing business and to the principle of integrity, and does not tolerate bribery or corruption in any form or manifestation.

To implement these principles, ERG operates a risk-based Compliance Management System covering key areas, including anti-money laundering, anti-bribery and anti-corruption, sanctions compliance, protection of human rights and personal data.

The key requirements and standards in these areas are set out in the ERG Code of Corporate Conduct, which defines the approaches to combating corruption, money laundering and terrorist financing, compliance with industrial safety, occupational health and environmental protection requirements, sanctions and antimonopoly legislation, ensuring transparency in dealings with counterparties, and protecting personal data and confidential information. The Code also reflects the Company's commitment to the principles of integrity, fair labour practices and respect for human rights, including the prohibition of forced and child labour, non-discrimination, prevention of harassment and other violations.

In support of the ERG Code of Corporate Conduct and for the effective management of compliance risks, Kazchrome [1] has introduced and applies relevant compliance policies and procedures implemented within a risk-based compliance management system.

ERG's risk management policies have been developed taking into account the international risk management standard ISO 31000. The risk management process covers all levels of the Group's activities, ensuring effective management of risks and opportunities. The applied three lines of defense model provides the necessary assurance regarding the effectiveness of risk management and its compliance with our policies, standards and procedures.

Key elements of the compliance management system include identification and management of compliance risks, counterparty due diligence (CPDD), training, monitoring and reporting. The Compliance Function ensures control over the internal application of ERG's compliance policies and procedures, implementation of the annual compliance programme, and provides assurance exceeding statutory requirements.

1 List of approved codes, policies, programs and procedures:
- ERG Corporate Code of Conduct.
- ERG Supplier Code of Conduct.
- Related Party Agreements Policy.
- Personal Data Protection Policy.
- Conflict of Interest Avoidance Policy.
- Antitrust and Competition Law Compliance Policy.
- Agent Corporate Compliance Policy.
- International Economic Sanctions Compliance Policy.
- Gifts and Entertainment Policy.
- CSR and Sponsorship Projects Policy.
- Anti-Bribery and Anti-Corruption Policy.
- Anti-Fraud Policy.
- Anti-Money Laundering Policy.
- Human Rights Compliance Policy.
- Business Ethics and Whistleblowing Policy.
- ERG Group Conceptual Requirements for the Counterparty Due Diligence Process.
- ERG Data Protection Program: Key Components.
- ERG Sanctions Compliance Program: Key Principles.
- Regulations on Compliance Training and Communications.
- ERG Procedure for Identifying and Assessing Conflict-Affected and High-Risk Areas (CAHRA).

The ERG Group Third Party Risk Management (TPRM) process is based on the CPDD process applied by ERG, including in Kazchrome, and ensures the implementation of a broader and more comprehensive approach to contract support at all stages of engagement, from the establishment of business relations with third parties until their completion. It also enables a response to the expansion of sustainability requirements.

Compliance specialists conduct CPDD using reliable external information sources and specialized compliance databases, which makes it possible to identify risks in a timely manner, including those related to sanctions violations, laundering of illegally obtained funds, CAHRA areas, human rights violations in supply chains, as well as bribery and corruption. Within this process, each transaction and counterparty is assigned the relevant risk category, and measures required to minimize the identified risks are determined.

In 2025, ERG continued its work in three main areas:
- Responsible response to changing conditions in the area of international sanctions;
- Provision of assurance in relation to the production and sales chain of our products;
- Maintenance of constructive dialogue with government partners and support for the achievement of national development goals, including the creation of in-country value.

To ensure that ERG Group's ethical standards are deeply understood by its business partners, members of governing bodies and employees, ERG implements a comprehensive risk-based compliance training and awareness programme. This programme includes management communications on compliance matters, online training modules, in-person training for employees and other communication formats.

As at the end of 2025, 97% of Kazchrome employees had completed the online course dedicated to the ERG Code of Corporate Conduct, as well as the Company's core values and standards of business conduct. Implementation of the training programme continued in 2026. During 2025, 787 Company employees completed this course.



Ethics and compliance (continued)

In addition to the training activities implemented in previous years, the following programmes and initiatives were carried out in 2025:

385

Kazchrome employees completed the online course "Respect for Human Rights in Business", aimed at studying the key aspects of fair employment practices and human rights protection. As at the end of 2025, the share of active employees who completed training under this module was 97%;

654

Kazchrome employees improved their knowledge in the area of managing risks of non-compliance with personal data protection requirements by completing the online course "Personal Data Protection". Based on the results of 2025, the level of training coverage in this area among active employees was 96%;

592

Kazchrome employees completed mandatory online training under the course "Conflict of Interest", aimed at increasing awareness in identifying and managing conflict of interest risks. As at the end of 2025, 96% of active employees had completed training under this module;

234

Kazchrome employees holding high-risk positions completed the mandatory online course "Anti-Bribery and Anti-Corruption". The training was aimed at raising awareness of corruption risk management, understanding the consequences of bribery and corruption, and familiarization with examples of commercial bribery and key rules of conduct ensuring compliance with ERG's zero-tolerance principle towards bribery and corruption. As at the end of 2025, 86% of active employees had completed training under this module; two specialized sessions devoted to the results of compliance risk management were held for 13 Kazchrome employees in the Top Management and Managers category;

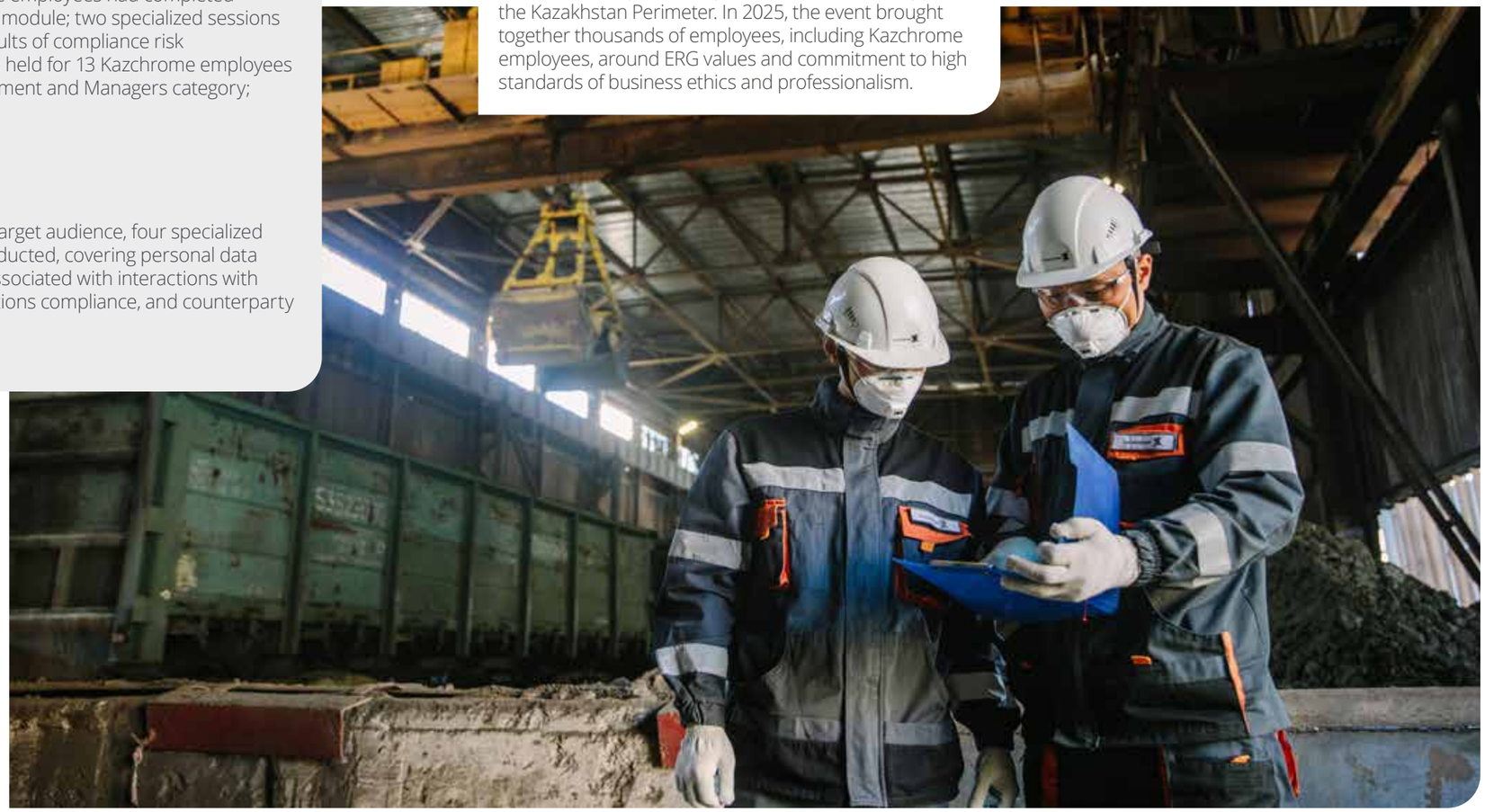
For 110

employees in the target audience, four specialized sessions were conducted, covering personal data protection, risks associated with interactions with third parties, sanctions compliance, and counterparty due diligence;

During the reporting period, employees were also sent explanatory compliance communications covering the principles of a speak-up culture, potential compliance risks when giving and receiving business gifts, compliance with personal data protection requirements with an emphasis on risks associated with the use of AI technologies, compliance with applicable sanctions regimes, as well as the rules and principles of counterparty due diligence. Particular attention was given to disclosure and settlement of conflicts of interest in the context of fraud and commercial bribery risks, promotion of ethical conduct values, development of a culture of trust and responsible behaviour as part of a series of communications dedicated to ERG Ethics and Compliance Day, and other relevant topics. Since 2023, Ethics and Compliance Day has been held annually within the Kazakhstan Perimeter. In 2025, the event brought together thousands of employees, including Kazchrome employees, around ERG values and commitment to high standards of business ethics and professionalism.

ERG continues to promote a speak-up culture, which gives all employees of all ERG Group enterprises, including Kazchrome, and business partners the opportunity to freely ask questions and report concerns or suspicions related to violations of the principles of the ERG Code of Corporate Conduct, the ERG Supplier Code of Conduct or other ERG compliance policies, including through the ERG Hotline channels (*https://erg.integrityline.org*).

The ERG Hotline is operated by an independent operator and allows reports to be submitted anonymously. ERG Hotline contacts are also publicly available, including on the ERG website (*https://www.erg.kz/ru/ethical-principles*). The ERG Code of Corporate Conduct prohibits retaliation against persons who report violations in good faith.



Ethics and compliance (continued)



The Company has established an information security management process. During 2025, 25 inspections of information and production systems were carried out upon commissioning. In addition, four quarterly process inspections were carried out to assess the Company's security status.

In 2025, 92% of employees completed online courses on IT security and threat awareness (4,231 out of 4,559 employees who are PC users).

The online courses include:

- Information security training for new employees;
- Annual mandatory information security training;
- Specialized awareness-raising courses for specific departments.

As part of awareness-raising, the following was also carried out:

- Information security mailings were sent more than five times;
- Awareness checks using a phishing service were conducted four times a year;
- Information security materials (posters, memos, articles) were published on the corporate website more than ten times;
- Webinars on the basics of IT security were held for various groups.

Kazchrome's compliance with legislation in the area of antimonopoly regulation and protection of competition is ensured by the adopted Policy for Ensuring Compliance with Antimonopoly Legislation and Competition Protection Legislation. This Policy, among other things, regulates issues of monitoring the effectiveness of control systems for anti-competitive practices. At the regional level, including Kazchrome, there are also procedures for preventing anti-competitive agreements and collusion and for preventing violations of the antimonopoly legislation of the Republic of Kazakhstan by potential monopolists. In 2025, no inspections by government authorities related to obstruction of competition or violation of antimonopoly legislation were conducted.

Engagement with Suppliers

ERG adheres to high ethical standards of business conduct and expects its business partners to comply with similar principles. For this purpose, ERG, including Kazchrome, has the ERG Supplier Code of Conduct, which reflects our expectations of suppliers in relation to responsible supply chain management in accordance with ethical principles, including in the following areas:

- Compliance with applicable laws, internal rules and regulations;
- Integrity and zero tolerance for bribery and corruption, violations of antimonopoly and competition protection laws, export control rules and applicable sanctions;
- Fair employment practices and prevention of forced, compulsory and child labour, as well as any forms of discrimination and harassment in employment;
- Industrial safety, occupational health and environmental protection;
- Respect for human rights in business;
- Responsible production and supply chains in the supply of ore and mineral products;
- Confidentiality and personal data protection.

To raise awareness among our business partners of the Company's ethical principles, online training on the ERG Supplier Code of Conduct was previously initiated. Overall, as at the end of 2025, 538 (18%) of ERG counterparties had completed such training.

The provisions of the ERG Supplier Code of Conduct are included in supplier contracts and taken into account during supplier due diligence before contracts are concluded in all regions where the Group operates. They apply to all suppliers with which ERG cooperates. In addition, suppliers are required to ensure compliance with similar requirements by their sub-suppliers.

At the same time, contracts with companies providing services at production sites include provisions (clauses) in the area of production safety and environment that exceed statutory requirements in a number of aspects, from the availability of necessary certificates to waste removal and disposal. Such contractors undergo a preliminary assessment of compliance with safety requirements, violations of which are subject to fines in the established amount. Contracts with contractors performing high-risk work provide for additional supervision and control measures.

Contracts contain compliance provisions reflecting the aggregate of compliance requirements for the purpose of mitigating compliance risks within contractual relations with third parties.

Ethics and compliance (continued)

Development of Sustainable Procurement Practices

In 2025, ERG Group continued to develop sustainable procurement practices aimed at the consistent integration of environmental, social and governance (ESG) criteria into the processes for selecting, assessing and monitoring suppliers, including at TNC Kazchrome JSC. As part of this approach, ERG Group has a Sustainable Procurement Policy establishing unified principles and requirements for the organisation of procurement activities taking into account ESG criteria. The Policy applies to all ERG Group enterprises, including TNC Kazchrome JSC.

Targets until 2030

As part of implementation of the Sustainable Procurement Policy, ERG Group established the following targets until 2030:

- ESG assessment of key suppliers: at least 80%;
- Coverage of key suppliers by the Code of Conduct: 100%;
- Share of procurement from domestic producers: 75%.

To achieve the established targets, in 2025 ERG Group adopted corporate documents regulating unified approaches to sustainable procurement management and supplier assessment.

In December 2025, an important stage was the approval by ERG Group of the Methodology "Supplier Management and Screening", which established a unified approach to preliminary supplier assessment, ESG screening, monitoring and performance assessment of suppliers throughout the entire engagement life cycle.

The Methodology provides for three main stages of supplier management:

- Pre-qualification and ESG screening;
- Supplier selection and contract conclusion;
- Monitoring of supplier activities and performance assessment.

ERG Group's procurement activities are carried out in accordance with ERG's unified corporate requirements. All tender procedures are conducted on an open competitive basis with equal and non-discriminatory access for all suppliers, both local and international.

Procurement is carried out through the corporate procurement portal *torgi.erg.kz*, which provides open access to procurement procedures and unified participation conditions for all potential suppliers. Unified, transparent and objective assessment criteria are applied when selecting suppliers.

To encourage suppliers to improve sustainable development practices, ERG provides for the application of the Sustainability Award mechanism aimed at recognising suppliers demonstrating strong ESG performance. This approach applies to suppliers of ERG Group enterprises, including Kazchrome.

ESG Screening of Suppliers

Since December 2025, medium and large business suppliers, as part of attestation and re-attestation procedures on the corporate procurement portal, have undergone ESG assessment by completing an ESG questionnaire. The data obtained is used to form a supplier database and conduct ESG screening. The ESG questionnaire covers corporate governance, environmental management, climate risk management, occupational health and industrial safety, human rights compliance, management of the supplier's own supply chain, regulatory compliance and other ESG aspects.

In 2025, **191** ERG suppliers underwent ESG screening, of which **11** were key suppliers. This included **14** Kazchrome suppliers that underwent ESG assessment, of which **three** were classified as key suppliers. In 2025, technical ESG audits of suppliers were not conducted. The Company primarily cooperates with long-term suppliers in relation to which existing due diligence and monitoring procedures are applied. At the same time, the Methodology "Supplier Management and Screening" provides for the possibility of conducting a documentary review or technical ESG audit of a supplier, if necessary.

The results of ESG assessment are taken into account when selecting suppliers alongside commercial criteria, including price, quality and delivery time. This approach ensures the integration of environmental, social and governance (ESG) aspects into the procurement decision-making process. Initial ESG assessment is conducted during supplier attestation, and subsequent reassessment is conducted once every two years.

The next stage in implementing the Methodology will be the introduction on the corporate Procurement Portal of an automated procedure for determining suppliers' business category for mandatory ESG attestation by medium and large business entities.

Development of Competencies in Sustainable Procurement

In order to implement new corporate approaches to sustainable procurement, in 2025 training was conducted for Kazchrome employees involved in procurement activities. 100% of procurement function employees completed training on sustainable procurement.

Support for Local Suppliers

Support for local content remains one of ERG's strategic priorities. Kazchrome continues to develop cooperation with domestic producers and local suppliers.

The share of procurement from local producers of goods in 2025 was 57.2%. At the same time, the total share of procurement of goods, works and services from local producers, taking into account intra-group procurement, was 70%.

By 2030, ERG Group plans to ensure that at least 75% of procurement of goods, works and services is made from domestic producers.

Key Results of Sustainable Procurement Development in 2025

In 2025, Kazchrome continued implementing sustainable procurement practices in accordance with ERG corporate approaches through supplier assessment, training of procurement function employees, counterparty due diligence, development of contractual requirements and responsible supply chain practices. The achieved results reflect the consistent integration of ESG principles into the Company's procurement activities.

100%

share of key suppliers confirming compliance with the ERG Supplier Code of Conduct

100%

share of new contracts containing ESG requirements in the areas of occupational health, human rights, environment and business ethics

3,300

counterparty due diligence checks conducted (CPDD)

191

Kazchrome suppliers that underwent ESG assessment

31/ 21

supplier-related reports received through the ERG Hotline (reviewed / confirmed)

100%

Kazchrome procurement function employees trained in sustainable procurement

0

Suppliers receiving recommendations to improve ESG maturity and implement corrective measures

Thus, the development of sustainable procurement practices is carried out on the basis of a unified supplier management cycle, including the establishment of ESG requirements, counterparty due diligence, ESG assessment, monitoring of results and continuous improvement of supply chain management processes.

Corporate governance

- Share capital and shareholders
- Subsidiaries and associates
- Structure of governing bodies
- Key management team
- Statement on data reliability

Share capital and shareholders

Kazchrome's corporate governance is based on fairness, honesty, responsibility, transparency, professionalism and competence. An effective corporate governance structure implies respect for the rights and interests of all persons interested in the Company's activities and contributes to its successful operation, including growth in market value and maintenance of financial stability and profitability.

Kazchrome's corporate governance principles are aimed at creating trust in relations arising in connection with the management of the Company and form the basis for all rules and recommendations contained in the Corporate Governance Code approved by the General Meeting of Shareholders on 13 March 2017.

Fundamental Principles of Corporate Governance

1. **Principle of Protection of the Rights and Interests of Shareholders**
   Kazchrome ensures the exercise of the fundamental rights of shareholders provided for by the Law of the Republic of Kazakhstan "On Joint Stock Companies" and effective participation of shareholders in making key corporate governance decisions.
2. **Principle of Effective Management of the Company by the Board of Directors and the Executive Body**
   The activities of the Board of Directors are based on the principle of maximum observance of shareholders' interests, general management of the Company's activities and are aimed at increasing its market value. The Board of Directors ensures the effective operation of the risk management system and controls and regulates corporate conflicts. The activities of the Management Board are based on the principle of maximum observance of shareholders' interests and are fully accountable to the General Meeting of Shareholders and the Board of Directors of Kazchrome.
3. **Principle of Transparency and Objectivity in Disclosure of Information on the Company's Activities**
   Kazchrome discloses information in a timely manner on the main results, plans and prospects of its activities that may materially affect the property and other rights of shareholders and investors, and also responds to shareholder requests in a timely manner and in full within the time limits specified in the Articles of Association of Kazchrome.
4. **Principles of Legality and Ethics**
   Kazchrome acts in strict accordance with the legislation of the Republic of Kazakhstan, generally accepted principles (customs) of business ethics and internal documents of the Company. Internal documents of the Company are developed on the basis of legal requirements and corporate and business ethics standards.
5. **Principles of Effective Dividend Policy**
   Kazchrome's dividend policy is carried out in strict accordance with the applicable legislation of the Republic of Kazakhstan and the Regulations on Dividend Policy approved by the General Meeting of Shareholders of Kazchrome in 2021, as amended on 1 June 2023 and 16 September 2024.
6. **Principles of Effective Personnel Policy**
   Kazchrome's corporate governance is based on the protection of employee rights provided for by the collective agreement, including the labour legislation of the Republic of Kazakhstan, and is aimed at developing partnership relations between Kazchrome and its employees in resolving social issues and regulating working conditions.
7. **Principle of Environmental Protection**
   Kazchrome ensures careful and rational treatment of the environment in the course of its activities.
8. **Principle of Corporate Conflict Regulation Policy**
   In the event of corporate conflicts, the participants seek ways to resolve them through negotiations in order to ensure effective protection of both shareholder rights and the business reputation of Kazchrome. If corporate conflicts cannot be resolved through negotiations, they must be resolved strictly in accordance with the legislation of the Republic of Kazakhstan.

Kazchrome operates in accordance with various regulatory requirements in all of its jurisdictions, including subsoil use rights, as well as in the area of natural monopolies.

Share capital and shareholders

Composition of shareholders holding five or more percent of the Company's shares as at 31 December 2025

Name of shareholder	Total number of shares held	Type of share	Ratio of shares held to total number of outstanding shares, %
KCR METALS - FZCO	99,940,708	Ordinary	90.979
	9,191,128	Preferred	8.366

Information on the issue of securities as at 31 December 2025

Securities	Total, pcs.	Ordinary shares, pcs.	Preferred shares, pcs.
Authorised shares	158,069,700	142,949,700	15,120,000
Outstanding shares	109,850,711	99,953,939	9,896,772
Shares repurchased by the Company	3,921	493	3,428

Subsidiaries and associates

Name, address	Main activity	Head	Participation interest
Akzhar-Chrome LLP Kazakhstan, Aktobe Region, Khromtau District, Khromtau, Leonid Shilovsky Street, building 11B, postal code 031100	Processing of technogenic mineral formations (slime tailings)	Yelena Aleksandrovna Gaidukova	100%
Donskaya Oil Depot JSC Kazakhstan, Aktobe Region, Khromtau District, Khromtau, Okraina Street, house 12, postal code 031100	Production and sale of goods, including petroleum products and consumer goods	Meirkhan Yerlanuly Abdrakhmanov	95.53%
BTS LLP Kazakhstan, Astana, Yesil District, Sarayshyk Street, house 11, non-residential premises 5, postal code 010000	Development and implementation of IT solutions for business	Magauiya Kyzaybayevich Skakov	37.99%
Credit Partnership ENRC Credit LLP (ENRC Credit) Kazakhstan, Astana, Yesil District, Mangilik El Avenue, building 43, postal code Z05T0A7	Cash operations, lending operations (granting loans in monetary form on terms of payment, maturity and repayment), opening and maintaining bank accounts of Credit Partnership participants, etc.	Alma Turashevna Isimbayeva	49.9%

Structure of governing bodies

Structure of governing bodies

Supreme Body
General Meeting of Shareholders

Governing Body
Board of Directors

Executive Body
General Director

General Meeting of Shareholders

The General Meeting of Shareholders is the supreme body of the Company and resolves all key issues of its operation and development, and also plays a key role in ensuring shareholder rights.

The organisation and procedure for holding the General Meeting of Shareholders are determined by the Articles of Association of the Company and comply with the following requirements:

- Fair and equal treatment of all shareholders.
- Accessibility of participation in the General Meeting for all shareholders.
- Provision of maximum organizational and reporting information.
- Simplicity and transparency of holding the General Meeting of Shareholders.

The rights of minority shareholders, as well as the system of interaction with minority shareholders, are exercised in accordance with the Law of the Republic of Kazakhstan "On Joint Stock Companies", the Articles of Association and internal documents of the Company. Minority shareholders participate in the management of the Company in the manner determined by the laws of the Republic of Kazakhstan and the Articles of Association of the Company.

During 2025, two General Meetings of Shareholders were held.

Board of Directors

The procedure for electing members of the Company's Board of Directors is carried out by the General Meeting of Shareholders and must be transparent and clear to all shareholders. The process of electing members of the Board of Directors is implemented taking into account the opinions and interests of all shareholders, including those holding a minority interest in the authorized capital of the Company. Candidates and members of the Board of Directors must have positive achievements and reputation in the business environment. At least 30% of the members of the Company's Board of Directors must be independent directors. Members of the Board of Directors perform their professional functions in good faith and reasonably, with due care and diligence, in the interests of the Company and shareholders, avoiding conflicts of interest. They ensure full compliance of their activities not only with the requirements of legislation and the principles of the Corporate Governance Code in force in the Company, but also with ethical standards and generally accepted norms of business ethics.

The Company's Board of Directors monitors and, where possible, eliminates potential conflicts of interest at the level of officials and shareholders, including misuse of Company property and abuse in interested-party transactions. It approves the strategy and key policies and monitors the effectiveness of corporate governance practices in the Company.

When participating in the consideration of various matters submitted to the Board of Directors, each member of the Board of Directors expresses his or her will and makes decisions independently, taking into account existing work experience and knowledge in the relevant areas.

In accordance with Article 53 of the Law of the Republic of Kazakhstan "On Joint Stock Companies", the Board of Directors preliminarily reviews and approves the annual financial statements of the Company, reflecting the financial position, results of operations and cash flows of the Company for the reporting period, before their approval by the General Meeting of Shareholders. In preparation for meetings of the Board of Directors, its members are provided with materials on each agenda item containing complete and reliable information.

During 2025, 63 meetings of the Board of Directors were held, at which, among other things, the following key issues were considered:

- Conclusion of transactions in which the Company has an interest;
- Conclusion of transactions increasing the Company's liabilities by an amount equal to ten or more percent of its equity;
- Convening General Meetings of Shareholders and forming their agendas;
- Preliminary approval of the Company's financial statements;
- Dividends for 2024 and the dividend amount per ordinary share of the Company;
- Approval of amendments to the Regulations on Dividend Policy.



Structure of governing bodies (continued)

Composition of the Board of Directors as at 31 December 2025

Full name, year of birth	Positions held for the last three years and currently, in chronological order (including concurrent positions)
Serik Karimzhanovich Shakhazhanov, born in 1977 Chairman of the Board of Directors	• General Director of Eurasian Group LLP from February 2023 to 20 March 2026 • Chairman of the Management Board of Eurasian Group LLP from July 2017 to February 2023
Daniyar Ravshanovich Rakhmatullayev, born in 1985 Member of the Board of Directors	• Deputy General Director of Eurasian Group LLP for Finance from February 2023 to 12 July 2026 • Deputy Chairman of the Management Board of Eurasian Group LLP for Finance from October 2018 to February 2023
Sergey Leonidovich Prokopyev, born in 1984 Member of the Board of Directors	• General Director of TNC Kazchrome JSC from February 2023 to present • President of TNC Kazchrome JSC from September 2022 to February 2023 • Vice President for Production of TNC Kazchrome JSC from April 2021 to September 2022 • Director of the Aksu Ferroalloys Plant, branch of TNC Kazchrome JSC, from August 2014 to April 2021
Beibit Toleuov, born in 1958 Member of the Board of Directors, Independent Director	• Mining engineer and surveyor of Temirtau Electrometallurgical Plant JSC (TEMK) from February 2021 to present • Chief Geologist, Managing Director for Subsoil Use of Fincraft Resources JSC from 2013 to February 2021
Bulat Mamytkhanovich Rakishev, born in 1947 Member of the Board of Directors, Independent Director	• Head of the Laboratory Group of the K.I. Satpayev Institute of Geological Sciences from 2012 to present; Academician of the National Academy of Natural Sciences.

Composition of the Sole Executive Body as at 31 December 2025: General Director

Full name, year of birth	Positions held for the last three years and currently, in chronological order (including concurrent positions)
Sergey Leonidovich Prokopyev, born in 1984	• General Director of TNC Kazchrome JSC from February 2023 to present. • President of TNC Kazchrome JSC from September 2022 to February 2023. • Vice President for Production of TNC Kazchrome JSC from April 2021 to September 2022. • Director of the Aksu Ferroalloys Plant, branch of TNC Kazchrome JSC, from August 2014 to April 2021.

None of the members of the Board of Directors or the sole executive body of the Company has a participation interest (shares) in the authorized (share) capital of either the Company or its subsidiaries or associates.

Information on Dividends

The book value of ordinary and preferred shares was calculated in accordance with Appendix 2 to the Rules for Disclosure of Information by Initiators of Admission of Securities of the Kazakhstan Stock Exchange.

Indicator (KZT)	December 31, 2023	December 31, 2024	December 31, 2025
Book value per ordinary share	3,978	4,011	5,434
Book value per preferred share	867	961	947
Basic and diluted earnings per ordinary share from continuing operations	1,794	56	1,283

Dividends paid from 2023 to 2025

Period for which dividends are paid	Dividend amount per ordinary share, KZT	Dividend amount per preferred share, KZT	Basis
Results of 2023	Not accrued or paid	100.00	Articles of Association of the Company, minutes of the annual General Meeting of Shareholders dated 12 August 2024
Results of Q3 2023	4.03	4.03	Articles of Association of the Company, minutes of the extraordinary General Meeting of Shareholders dated 21 May 2024
Results of 2024	Not accrued or paid	100.00	Articles of Association of the Company, minutes of the annual General Meeting of Shareholders dated 31 July 2025



Structure of governing bodies (continued)

Information Policy and Disclosure of Information on Activities

Provision of information on Kazchrome's activities is carried out in accordance with the legislation of the Republic of Kazakhstan and the Articles of Association of the Company. When disclosing information, Kazchrome is guided by the principles of completeness, reliability and timeliness of the information provided.

Kazchrome discloses information in a timely manner on the main results, plans and prospects of its activities that may materially affect the property and other rights of shareholders and investors, and also responds to shareholder requests in a timely manner and in full within the time limits specified in the Articles of Association of the Company. Information on corporate events is disclosed by the Company on public Internet resources: the Financial Statements Depository and the Kazakhstan Stock Exchange.

Kazchrome responds in a timely manner and in full to all incoming requests from shareholders and other interested parties within the time limits established by the legislation of the Republic of Kazakhstan and the Articles of Association of the Company.

Stakeholder Engagement

The following documents have been approved and are in force in the Company for stakeholder engagement:

- The Regulation "Procedure for Assessing Risks and Opportunities", which is an internal document defining the procedure for identifying and assessing the Company's risks and opportunities in stakeholder engagement.
- The Policy on Related Party Agreements, which applies to the review and approval of agreements with related parties as defined in that policy.

Information on the total amount of salaries and all types of incentive payments

- The total remuneration of the members of the executive body of the Company in 2025 (all payments made in 2025) amounts to KZT 302,691 thousand.

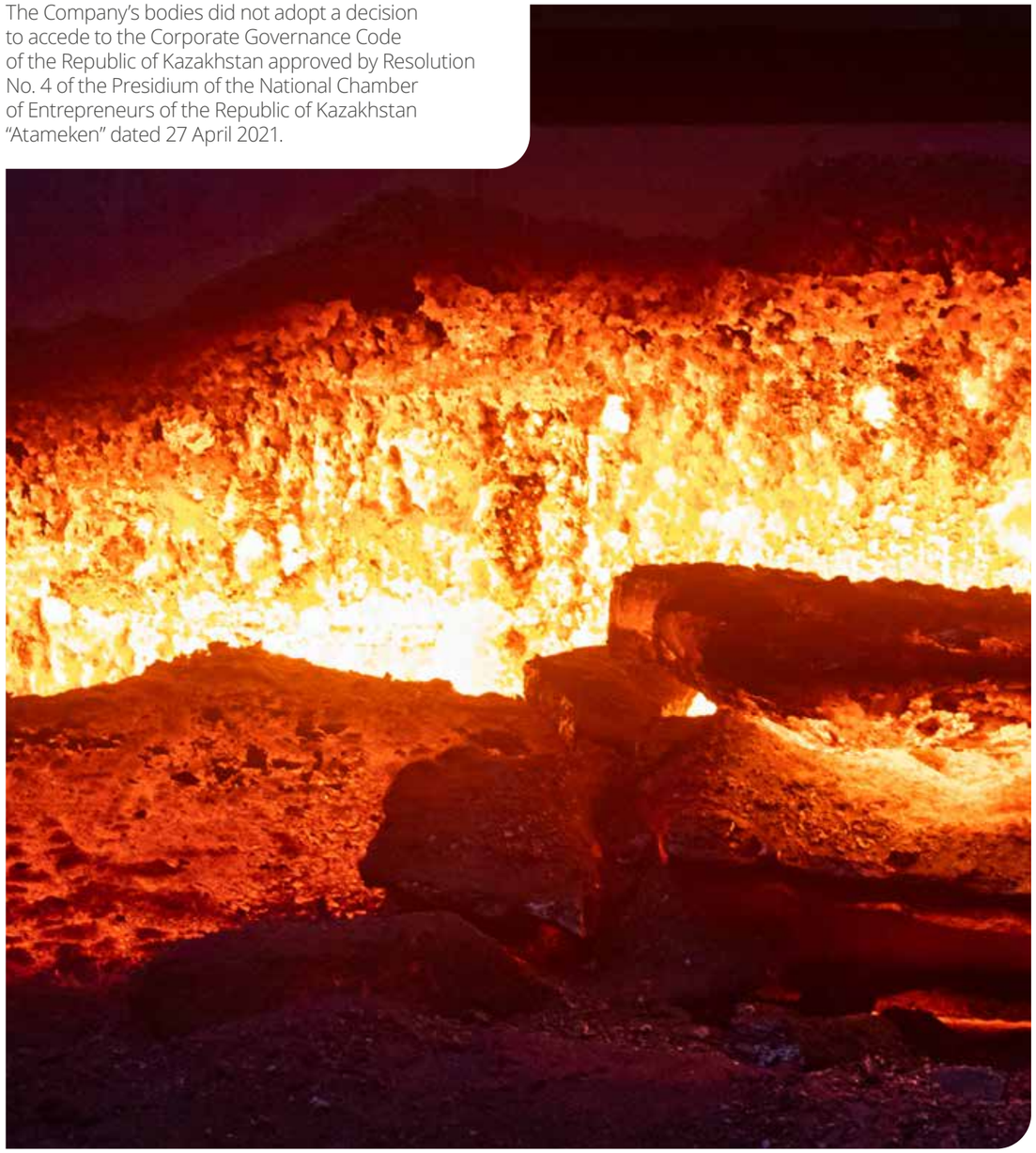
Report on the Company's Compliance with the Corporate Governance Code

In its activities, the Company is guided by the Corporate Governance Code approved by the decision of the General Meeting of Shareholders dated 13 March 2017.

The Company has the following internal documents approved by authorized bodies and complied with:

- Regulations on the Board of Directors.
- ERG Code of Corporate Conduct.
- ERG Supplier Code of Conduct.
- Anti-Money Laundering Policy.
- Policy for Ensuring Compliance with Corporate Rules and Provisions by Agents.
- Anti-Bribery and Anti-Corruption Policy.
- Anti-Fraud Policy.
- Policy for Ensuring Compliance with Antimonopoly Legislation and Competition Protection Legislation.
- Conflict of Interest Avoidance Policy.
- Personal Data Protection Policy.
- Information Security Policy.
- Gifts and Hospitality Policy.
- Policy on Related Party Agreements.
- Policy for Ensuring Compliance with International Economic Sanctions Requirements.
- Information Classification Policy.
- Human Rights Compliance Policy.
- Policy on Corporate Social Reporting and Sponsorship Support Projects.
- ERG Sanctions Compliance Programme: Key Principles.
- ERG Data Protection Compliance Programme: Key Components.
- Policy on Compliance with Business Ethics Principles and Corporate Reporting of Violations.

The Company's bodies did not adopt a decision to accede to the Corporate Governance Code of the Republic of Kazakhstan approved by Resolution No. 4 of the Presidium of the National Chamber of Entrepreneurs of the Republic of Kazakhstan "Atameken" dated 27 April 2021.



Key management team

Sergey Prokopyev

General Director of TNC Kazchrome JSC



He has more than 20 years of experience in ferroalloy production in various positions.

Sergey Prokopyev began his career in 2002 as a ferroalloy furnace operator in the ferroalloy shop of the Aksu Ferroalloys Plant. From 2006, after graduating from Innovative University of Eurasia, he held the positions of foreman at the hot work area, senior foreman and head of the ferroalloy shop. In 2013, he was appointed Head of the Production Department, in 2014 he was appointed Deputy Technical Director for Production and subsequently Director of the Aksu Ferroalloys Plant.

During his work at the plant, Sergey Prokopyev made a significant contribution to production development. On his initiative and under his leadership, a number of innovative proposals were implemented, which made it possible to obtain additional volumes of commercial products. These include, in particular, a project to cover the jigging complex to obtain additional commercial products and metal concentrate in winter, a change in technology involving the use of metal concentrate as bedding, a change in the slag processing scheme, implementation of a pilot project to automate the casting machine, and many others.

In April 2021, he joined the management team of TNC Kazchrome JSC as Vice President for Production. In September 2022, Sergey Prokopyev was appointed President, and in February 2023, General Director of TNC Kazchrome JSC. His priority tasks include the introduction of progressive ferroalloy production technologies, the introduction of advanced mining and rock support technologies, and the introduction of advanced methods for increasing production productivity.

Sergey Prokopyev graduated from Innovative University of Eurasia with a degree in Ferrous and Non-Ferrous Metallurgy, and from the Russian Presidential Academy of National Economy and Public Administration with a degree in Ferrous and Non-Ferrous Metallurgy, qualification Master of Business Administration. He completed training at EY Business Academy in Moscow in Finance for Non-Financial Managers I: Accounting, Analysis, Budget.

Konstantin Semerenko

Director for Maintenance and Repair of TNC Kazchrome JSC



He has more than 20 years of experience in equipment maintenance and repair in various positions at the Aksu Ferroalloys Plant and TNC Kazchrome JSC.

After graduating from Pavlodar State University in 2000, Konstantin Semerenko joined the Aksu Ferroalloys Plant as a repair fitter in Smelting Shop No. 4. From 2007, he held the positions of foreman for repair of lifting mechanisms, senior foreman for repair and maintenance of mechanical equipment and assistant shop head for mechanical equipment, where he was involved in organising and managing the maintenance and repair system for mechanical equipment of Smelting Shop No. 4.

In 2013, he was invited to participate in an ERP system implementation project as a business analyst. During 2014, he headed the Repairs stream in that project.

Upon completion of the project in 2014, he returned to the position of Chief Mechanic of the Aksu Ferroalloys Plant. In 2018, he was invited to the position of Reliability Manager at the Management Office of TNC Kazchrome JSC.

From December 2020, he joined the management team of TNC Kazchrome JSC as Vice President for Maintenance and Repair, and in 2023 he was appointed Director for Maintenance and Repair. His priority tasks include the introduction of progressive repair technologies and integrated maintenance systems ensuring timely adjustment and repair of equipment, maintaining normal technical condition and stable operation, and reducing equipment downtime.

Key management team (continued)

Dinara Dzhandosova

Director for Economics and Controlling



She has more than 18 years of experience in financial management.

In 2006, Dinara Dzhandosova graduated from the Kazakh-British Technical University with a degree in World Economy in Almaty. In 2022, she graduated from Saint Petersburg State University with a Master of Business Administration programme, "Master of Business Administration MBA: Challenges of the Digital World".

She began her professional career as an economist at the Aktobe Ferroalloys Plant. In 2013, she moved to the position of Head of the Economics and Controlling Department at the same plant. During this period, the Company underwent a complex process of integrating SAP software into the organisation's business processes to optimise and automate various operations. Dinara Dzhandosova was at the origins of the system implementation and actively participated in the integration of software and business processes.

In 2017, she was appointed Head of Economics and Controlling. Her tasks included organising planning and economic work at the Company's branches and its systematic improvement in order to increase production efficiency and improve product quality; organising and conducting comprehensive economic analysis of the Company's activities to ensure the best use of material, labour and financial resources and increase production efficiency and profitability; and ensuring timely payments to the budget, suppliers, banks and other persons to fulfil the Company's obligations.

In February 2024, she was appointed Director for Economics and Controlling of TNC Kazchrome JSC. Her responsibilities include organising the Company's activities in all areas of financial and economic activity, supporting relations with business partners and representatives of government authorities. She also continuously monitors and analyses the Company's development strategy, taking into account changes in market trends, participates in the development of the Company's business development plan and budgets, and controls their implementation.

Nurlan Muratovich Tasimov

Director for Personnel and Culture of TNC Kazchrome JSC



Nurlan Tasimov began his professional career as an apprentice miner at the 10th Anniversary of Kazakhstan Independence Mine of Donskoy GOK in Khromtau. He consistently mastered working professions, worked as a miner, underground development worker and engineer, and then moved to managerial positions in planning and economic units. This experience gave him a deep understanding of production processes and the real working conditions of employees. Over time, his career moved into human resources management. He has more than 20 years of experience in personnel management in various positions. Since 2020, he headed the ERG Personnel Service Centre as HR Service Director. In this role, he organized recruitment, training and personnel development processes, as well as social support for employees, introducing unified HR standards and approaches. From 2023 to April 2025, he worked in the Energy Division, where he headed the personnel and culture function. Under his leadership, large-scale initiatives were implemented to develop corporate culture, engagement, social stability and improvement of working conditions, and modern practices in personnel management were introduced.

In May 2025, Nurlan Tasimov joined the management team of TNC Kazchrome JSC as Director for Personnel and Culture. His tasks include improving personnel policy, the motivation system, ensuring productivity growth, personnel development and recruitment strategy, as well as promoting corporate culture and performance management.

Statement on data reliability

In accordance with the Corporate Governance Code of the Company, the Board of Directors and the Executive Body are responsible for the reliability of the annual report and financial statements of Kazchrome.

Financial Statements

- Independent auditor’s audit report
- Consolidated Balance Sheet
- Consolidated Statement of Profit or Loss and Other Comprehensive Income
- Consolidated Statement of Changes in Equity
- Consolidated Cash Flow Statement
- Notes to the Consolidated Financial Statements

Independent auditor's audit report

pwc

Independent Auditor's Report

To the Shareholders and the Board of Directors of TNC Kazchrome JSC

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of TNC Kazchrome JSC (the "Company") and its subsidiaries (together – the "Group") as at 31 December 2025, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated balance sheet as at 31 December 2025;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independence

We are independent of the Group in accordance with the ethical requirements of the Law on Audit Activity that are relevant to our audit of the consolidated financial statements in the Republic of Kazakhstan and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of the Republic of Kazakhstan and the IESBA Code.

Material uncertainty related to going concern

We draw attention to Note 2 to the consolidated financial statements, which indicates that material risks and uncertainties exist in respect of the ERG Group's and the Group's ability to find a feasible solution to comply with certain financial covenants at 31 December 2026 and 30 June 2027.

These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our audit approach

Overview



Overall Group consolidated financial statement materiality: 16,815,000 thousand of Kazakhstani Tenge, which was calculated as 5% of the last five-year adjusted average profit before tax.

- We conducted audit work at the Group in the Republic of Kazakhstan.
- The Group engagement team visited the following locations - cities of Aktobe, Khromtau and Aksu where the Company's divisions are located.
- Our audit scope addressed 99.9% of the Group's total assets, 99.9% of total revenue and 99% of the Group's absolute amount of net profit before tax.
- Compliance with debt covenants
- Revenue recognition

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Independent auditor's audit report (continued)

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated financial statements as a whole.

Overall Group's consolidated financial statement materiality	16,815,000 thousand of Kazakhstani Tenge
How we determined it	5% of the last five-year average adjusted profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users of consolidated financial statements, and is a generally accepted benchmark. We used the average profit before tax for the last five years, adjusted for the effect of the modification and remeasurement of financial instruments. The five-year average was used to adjust materiality for the recent significant commodity price volatility. We chose 5% which is consistent with the quantitative materiality threshold used for profit-oriented companies in this sector.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material uncertainty relating to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Compliance with debt covenants *Refer to Note 2, Note 13, Note 16 to the consolidated financial statements.* The Group is a subsidiary of KCR METALS-FZCO. The ultimate parent company is Eurasian Resources Group S.à r.l. ("ERG"). During preceding and current periods ERG and its subsidiaries ("ERG Group") have attracted a number of debt facilities to finance its various activities. The Group is a party to those arrangements and in addition to the loans it carries on its balance sheet, it is also a guarantor on the loan a company under common control has attracted. As indicated in Note 2, ERG Group, including the Group, complied with all of its banking obligations and financial and non-financial covenants at 31 December 2025. Compliance with debt covenants is considered highly important as it impacts classification of the Group's borrowings and measurement of financial guarantees as well as overall liquidity position of the Group. We considered this matter to be a key audit matter due to its potential magnitude, high importance to the Group's liquidity and to the consolidated financial statements.	Our audit procedures included review of the assessment of the Group's compliance with the debt covenants. We focused on the following: ⊠ review of the terms associated with the borrowings which are required to be repaid, as well with the financial guarantees; ⊠ checking that the Group is in compliance with each financial and non-financial covenant under the terms of the borrowing agreements including checking all confirmations on compliance with covenants and waivers received from lenders, if any; ⊠ confirming with the ERG Group audit team the overall ERG Group and its subsidiaries compliance with debt covenants; ⊠ verification of the appropriateness of classification of the borrowings and the impact of covenant compliance on the measurement of the financial guarantees.

Independent auditor's audit report (continued)

Revenue recognition

Refer to Note 18, Note 25 and Note 26 to the consolidated financial statements.

The revenue from the sale of ferroalloys delivered to the customers is recognised based on provisional price at the date of sale. Revenue may be subject to adjustments as a result of changes in the selling price when the goods are delivered to their destination. In such cases, after initial recognition, revenue is adjusted to reflect changes in the estimate of the expected price at the time of delivery. Such adjustments to revenue fall under the scope of IFRS 9 'Financial Instruments' rather than IFRS 15 'Revenue from Contracts with Customers' and therefore represent revenue from sources other than contracts with customers.

As discussed in Note 18, revenue for 2025 includes 15,634,577 thousand of Kazakhstani Tenge loss from sources other than contracts with customers (2024: 68,064,701 thousand of Kazakhstani Tenge). As indicated in Note 25, a 10 percent decrease in ferroalloys market prices would decrease profit before tax by 3,975,193 thousand of Kazakhstani Tenge (2024: 4,847,610 housand of Kazakhstani Tenge). Therefore, there is a risk of revenue from sources other than from contracts with customers being misstated as a result of inaccurate determination of fair value of the accounts receivable and incorrect calculations of the change in the fair value at the year-end, which impacts the revenue recognition.

There is also a risk that revenue may be overstated due to management override of controls through manipulation of the estimates involved and premature revenue recognition resulting from the pressure management may feel to achieve performance targets.

We considered this matter to be a key audit matter due to a significant effect on our overall audit strategy and allocation of resources in planning and executing our audit as significant effort was required in evaluating the appropriateness of the revenue recognition.

Our audit procedures included, among others, obtaining an understanding of, evaluating the design and testing the operating effectiveness of controls over the Group's revenue recognition process, which includes, but not limited to, contract authorisation, approvals of price addendums, determination of the timing of revenue recorded and adjustments based on the most recent provisional prices.

We also evaluated the design and tested the operating effectiveness of automated controls over revenue recognition assisted by our IT professionals.

We evaluated management's accounting policies and the methodology used by management to determine the provisional estimate of the price on the date of sale. In addition, our audit procedures included testing of all reconciliations between the data records from the system generated sales reports to the general ledger to ensure accurate calculation of the adjustments posted to reflect the most recent provisional prices and final prices.

In order to assess the accuracy of the provisional prices determined at the year-end, on a sample basis, we tested the benchmark price forecasts against the external analysts' data. On a sample basis, we:

- reviewed contracts and price addendums;
- recalculated revenue recognised based on the provisional prices available at the date of transaction; and
- tested shipping documents focusing on the period shortly before year-end.

We circularised the main customer to test whether the volumes shipped during the year were accurate.

We also assessed the adequacy of the disclosures in the Group's consolidated financial statements in respect of revenue and the corresponding accounting policies on revenue recognition.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The assets and operations of the Group are spread amongst the Company and its two subsidiaries. Out of these, we have identified the Company as the only material component where we performed full-scope audit procedures. We have identified other companies of the Group as not material components, for which we carried out audit procedures for the most material line items of the financial information and general analytical procedures. Overall, the scope of our audit covered 99.9% of the Group's total assets, 99.9% of total revenue and 99% of the Group's absolute amount of net profit before tax. The procedures performed have enabled us to obtain sufficient appropriate audit evidence in relation to the consolidated financial statements of the Group and provide a basis for our audit opinion on it.

Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Independent auditor's audit report (continued)

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent auditor's audit report (continued)

The engagement partner on the audit resulting in this independent auditor's report is Jason Edward Wardell.

On behalf of PricewaterhouseCoopers LLP

Approved by:

Azamat Konratbaev
Managing Director
PricewaterhouseCoopers LLP
(General State License of the Ministry of Finance of the Republic of Kazakhstan #0000005 dated 21 October 1999)

Signed by:

Jason Edward Wardell
Audit partner
(Texas State Board of Public Accountancy, Licence ID #087642 dated 8 August 2006)

Signed by:

Svetlana Belokurova
Auditor in charge
PricewaterhouseCoopers LLP
(Qualified Auditor's Certificate #0000357 dated 21 February 1998)

Almaty, Kazakhstan

20 July 2026

Consolidated Balance Sheet

In thousands of Kazakhstani Tenge	Note	31 December 2025	31 December 2024
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,048,936,625	948,298,491
Intangible assets		166,303	320,978
Investment measured at fair value		5,364,899	5,364,899
Investment in an associate	6	96,800,256	115,504,058
Loans receivable	4, 10	169,562,047	322,490,731
Deferred income tax asset	23	15,546,388	16,330,133
Other non-current assets	7	24,788,332	35,701,162
Total		**1,361,164,850**	**1,444,010,452**
Current assets			
Inventories	8	196,285,491	185,038,272
Trade and other receivables	9	193,363,505	181,722,440
Loans receivable	4, 10	234,598,486	17,620,508
Current income tax prepaid		1,512,886	1,411,532
Cash and cash equivalents	11	79,220,081	90,586,912
Other current assets		994,558	132,177
Total		**705,975,007**	**476,511,841**
TOTAL ASSETS		**2,067,139,857**	**1,920,522,293**
EQUITY			
Share capital	12	106,505,027	106,505,027
Treasury shares		(184,411)	(184,411)
Other reserves		(1,963,295)	(3,137,148)
Retained earnings		441,550,836	300,659,436
Equity attributable to the Company's shareholders		**545,908,157**	**403,842,904**
Equity attributable to non-controlling interest		**41,240**	**44,057**
TOTAL EQUITY		**545,949,397**	**403,886,961**

In thousands of Kazakhstani Tenge	Note	31 December 2025	31 December 2024
LIABILITIES			
Non-current liabilities			
Borrowings	13	964,573,016	1,125,408,448
Lease liability	13	3,197,978	1,587,640
Provisions for assets retirement obligations	15	8,883,399	12,833,784
Preference shares obligations	13	6,705,117	6,838,297
Employee benefit obligations		9,016,350	10,293,745
Financial guarantees	16	39,771,435	49,696,341
Other non-current liabilities		670,694	1,143,554
Total		**1,032,817,989**	**1,207,801,809**
Current liabilities			
Borrowings	13	158,571,856	109,538,457
Lease liability	13	979,044	1,778,841
Preference shares obligations	13	989,334	989,334
Trade and other payables	14	305,627,878	167,930,017
Financial guarantees	16	9,918,889	9,924,906
Provision for assets retirement obligations	15	774,545	1,488,188
Employee benefit obligations		857,383	1,106,162
Other taxes payable		10,653,542	16,077,618
Total		**488,372,471**	**308,833,523**
TOTAL LIABILITIES		**1,521,190,460**	**1,516,635,332**
TOTAL LIABILITIES AND EQUITY		**2,067,139,857**	**1,920,522,293**
Book value per ordinary share (in Tenge)	17	5,434	4,011

The accompanying notes on pages 119 to 150 are an integral part of these consolidated financial statements.

Signed on 20 July 2026 for approval of the annual general meeting of shareholders:

Prokopyev S.L.
General director

Jandossova D.A.
Economics and controlling director

Consolidated Statement of Profit or Loss and Other Comprehensive Income

In thousands of Kazakhstani Tenge	Note	2025	2024
Revenue	18	1,022,562,698	1,002,518,630
Cost of sales	19	(724,629,410)	(704,801,922)
Gross profit		**297,933,288**	**297,716,708**
Distribution costs		(12,552,467)	(12,339,375)
General and administrative expenses	20	(31,824,405)	(42,015,544)
Research, business development and exploration costs		(6,061,249)	(5,327,126)
Other operating expense	21	(31,167,198)	(10,320,981)
Other operating income	21	11,724,785	21,081,569
Operating profit		**228,052,754**	**248,795,251**
Share in results of an associate	6	(18,703,802)	14,061,302
Finance income	22	52,480,409	32,734,676
Finance cost	22	(102,401,960)	(281,980,736)
Profit before tax		**159,427,401**	**13,610,493**
Income tax expense	23	(18,537,960)	(7,445,169)
Profit for the year		**140,889,441**	**6,165,324**
Other comprehensive income/(loss):			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of post-employment benefit obligations		1,235,439	(3,332,521)
Income tax recorded directly in other comprehensive income/(loss)	23	(61,586)	666,504
Other comprehensive income/(loss)		**1,173,853**	**(2,666,017)**
Comprehensive income for the year		**142,063,294**	**3,499,307**
Profit for the year attributable to:			
· Company's shareholders		140,891,400	6,170,177
· Non-controlling interest		(1,959)	(4,853)
Profit for the year		**140,889,441**	**6,165,324**
Comprehensive income for the year attributable to:			
· Company's shareholders		142,065,253	3,504,160
· Non-controlling interest		(1,959)	(4,853)
Comprehensive income for the year		**142,063,294**	**3,499,307**
Basic and diluted earnings per ordinary share (in Tenge)	17	1,283	56

The accompanying notes on pages 119 to 150 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

In thousands of Kazakhstani Tenge	Note	Attributable to the Company's shareholders					Non-controlling interest	Total equity
		Share capital	Treasury shares	Other reserves	Retained earnings	Total		
Balance at 1 January 2024		**106,505,027**	**(184,411)**	**(471,131)**	**294,931,942**	**400,781,427**	**49,768**	**400,831,195**
Profit/(loss) for the year		-	-	-	6,170,177	6,170,177	(4,853)	6,165,324
Other comprehensive loss		-	-	(2,666,017)	-	(2,666,017)	-	(2,666,017)
Comprehensive (loss)/income for the year		**-**	**-**	**(2,666,017)**	**6,170,177**	**3,504,160**	**(4,853)**	**3,499,307**
Dividends	12	-	-	-	(442,683)	(442,683)	(858)	(443,541)
Balance at 31 December 2024		106,505,027	(184,411)	(3,137,148)	300,659,436	403,842,904	44,057	403,886,961
Profit for the year		-	-	-	140,891,400	140,891,400	(1,959)	140,889,441
Other comprehensive income		-	-	1,173,853	-	1,173,853	-	1,173,853
Comprehensive income for the year		**-**	**-**	**1,173,853**	**140,891,400**	**142,065,253**	**(1,959)**	**142,063,294**
Dividends	12	-	-	-	-	-	(858)	(858)
Balance at 31 December 2025		**106,505,027**	**(184,411)**	**(1,963,295)**	**441,550,836**	**545,908,157**	**41,240**	**545,949,397**

The accompanying notes on pages 119 to 150 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

In thousands of Kazakhstani Tenge	Note	2025	2024
Cash flows from operating activities:			
Profit before income tax		159,427,401	13,610,493
Adjustments for:			
Depreciation of property, plant and equipment		90,328,940	73,136,448
Amortisation of intangible assets		113,387	242,081
Employees benefits		432,087	771,680
Provisions for assets retirement obligations	15	(2,733,026)	(885,034)
Provisions for obsolete and slow-moving inventories		970,140	(3,690,789)
Loss allowance on trade and other receivables		(980,668)	216,896
Foreign exchange difference on operating activities	21	12,091,948	(17,005,154)
Share in results of an associate	6	18,703,802	(14,061,302)
Finance income	22	(52,480,409)	(32,734,676)
Finance cost	22	102,401,960	281,980,736
Provision for legal claims	21	(224,783)	(5,530,845)
Loss from the disposal of a subsidiary	21	2,130,623	-
Impairment of property, plant and equipment	5	420,612	4,343,126
Other		287,821	122,398
Cash flows from operating activities before changes in working capital:		**330,889,835**	**300,516,058**
Change in inventories		(11,490,065)	6,439,025
Change in trade and other receivables		(25,241,612)	72,988,283
Change in restricted cash		(521,429)	(345,837)
Change in trade and other payables		110,181,923	51,349,187
Change in provisions for asset retirement obligations		(343,666)	(125,332)
Change in other taxes payable		6,252,717	4,346,987
Cash flows from operating activities:		**409,727,703**	**435,168,371**
Income taxes paid		(2,046,174)	(2,052,698)
Withholding income tax paid		(12,551,839)	(10,449,253)
Interest received		14,360,885	2,938,262
Interest paid	13	(84,460,411)	(68,723,528)

In thousands of Kazakhstani Tenge	Note	2025	2024
Net cash received from operating activities		**325,030,164**	**356,881,154**
Cash flows from investing activities:			
Purchases of property, plant and equipment		(152,859,499)	(173,565,878)
Sale of property, plant and equipment		462,248	-
Loans issued	10	(82,843,345)	(746,949,153)
Repayment of loans issued	10	14,798,686	85,679,476
Cash outflow on transfer of a subsidiary		(946,290)	-
Dividends received		657,468	3,646,402
Other receipts/ (payments)		12,356	(4,579)
Compensation received under Novation Agreement	10	-	592,090,721
Purchase of investments		-	(370,871)
Net cash used in investing activities		**(220,718,376)**	**(239,473,882)**
Cash flows from financing activities			
Proceeds from borrowings	13	3,208,192	7,193,659
Repayment of borrowings	13	(110,613,192)	(99,375,892)
Dividends paid	12	(1,016,031)	(1,458,859)
Lease liabilities paid	13	(2,535,983)	(1,273,125)
Net cash used in financing activities		**(110,957,014)**	**(94,914,217)**
Effect of exchange rate changes on cash and cash equivalents		(4,721,605)	5,239,535
Net change in cash and cash equivalents		**(11,366,831)**	**27,732,590**
Cash and cash equivalents at the beginning of the year		90,586,912	62,854,322
Cash and cash equivalents at the end of the year	11	79,220,081	90,586,912

In 2024 non-cash transactions of an investment and financing nature include the assignment of a loan agreement obligation for the amount of US$1,316 million (Tenge 592,090,721 thousand) (Note 13).

The accompanying notes on pages 119 to 150 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements – 31 December 2025

1. The Company and its Operations

TNC Kazchrome JSC (the "Company") was incorporated on 20 October 1995. The Company is a joint-stock company and operates in accordance with the legislation of the Republic of Kazakhstan. The consolidated financial statements for the year ended 31 December 2025 have been prepared for the Company and its subsidiaries (the "Group").

The immediate parent company of TNC Kazchrome JSC is KCR METALS-FZCO registered in accordance with the Regulations of the Dubai Integrated Economic Zones Authority. The ultimate controlling party is Eurasian Resources Group S.à r.l. ("ERG"; ERG together with its subsidiaries – hereinafter referred to as the 'ERG Group') incorporated in the Grand Duchy of Luxemburg.

The principal activity of the Group includes the extraction of chrome and manganese ores, sale of chrome ore, and production and sale of ferroalloys. The Group's production assets are located in the Republic of Kazakhstan.

The Company's registered address and domicile: 030008, the Republic of Kazakhstan, Aktobe city, 4A M. Mametova Street.

Subsidiaries	Country of registration	Principal activity	Ownership, %	
			31 December 2025	31 December 2024
Donskaya Neftebaza JSC	Kazakhstan	Warehousing services and sales of combustive and lubricating materials	95.53	95.53
Akzhar Chrome LLP	Kazakhstan	Water production on major pipelines	100.00	100.00
KhromtauTrans Energo LLP	Kazakhstan	Thermal energy transfer and distribution	-	100.00

2. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information

Basis of preparation. These consolidated financial statements of the Group for the year ended 31 December 2025 have been prepared in accordance with IFRS Accounting Standards.

The accounting policies used in preparation of the consolidated financial statements are described below and are based on IFRS Accounting Standards. These standards are subject to interpretations issued from time to time by the International Financial Reporting Standards Interpretation Committee.

These consolidated financial statements are also prepared under the historical cost convention, except for the initial recognition of the financial instruments at fair value and revaluation of the financial instruments categorised at fair value through profit or loss.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise their judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

Going concern basis. The ERG Group's Board of Managers has reviewed the liquidity available for the period until 30 June 2027. Throughout the period under review the ERG Group forecasts to generate sufficient cash flow to maintain a target cash position.

The ERG Group continuously monitors its financial position to ensure sufficient liquidity headroom is maintained to support its business needs and to ensure compliance with loan covenants or obtain waivers where appropriate. The ERG Group and the Group complied with applicable covenants at 31 December 2025 and 31 December 2024.

The ERG Group is working on a variety of feasible solutions to comply with applicable covenants at 31 December 2026 and 30 June 2027. This work is ongoing, and therefore at the time of issuance of these consolidated financial statements an uncertainty in respect of outcome remains. In the event that no acceptable solution is available by the respective dates, non-compliance with applicable covenants may give relevant lenders a right to accelerate payment of the substantially all outstanding debt under the facility agreements.

The ERG Group maintains regular and constructive engagement with its principal lenders, who continue to demonstrate ongoing support for the business. In the event that certain covenants at 31 December 2026 and/or 30 June 2027 will continue to require adjustment or waivers, the lenders have indicated their willingness to cooperate and provide the necessary support, and such support was also demonstrated in the past. The ERG Group and the Group has reasonable expectations that the required waivers will be obtained as demonstrated by the ERG Group's prior experience. The ERG Group is currently engaged in advanced discussions with its lenders to secure required waivers for certain covenants at 31 December 2026.

In reaching the conclusion of the Managers of the ERG and the Management of the Group in respect of the preparation of these consolidated financial statements under the going concern basis the Managers of the ERG and the Management of the Group note that there are material risks and uncertainties in respect of the ERG Group's and the Group's ability to comply with relevant covenants at the respective dates. These material risks and uncertainties may cast significant doubt on the ERG Group's and the Group's ability to continue as a going concern, and, therefore, the ERG Group and the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The ERG Group appreciates the dependence of liquidity on commodity prices in its key markets, the exposure to foreign exchange volatility, and ability to raise additional funding when required. To ensure that adequate liquidity is available to meet contractual obligations, the ERG Group continues to focus on operational efficiencies, working capital improvements and capital expenditure budget management.

To maintain sufficient liquidity during the forecast period, if required, certain improvements could be achieved through management interventions, the realisation of which was assessed by management as highly probable. These interventions include in total up to approximately US$470 million to reduce operating costs and to implement capital expenditure reduction initiatives, which are considered to be within the ERG Group's control.

The Managers of the ERG consider that the ERG Group can access adequate resources to continue its business operations for the foreseeable future and thus, the Management of the Group consider that the Group can access adequate resources to continue its business operations for the foreseeable future and that the preparation of these consolidated financial statements under the going concern basis is appropriate.

New standards. The adoption of amendments to standards and interpretations effective from 1 January 2025 did not have a significant impact on the Group. The Group has not early adopted any standard, interpretation or amendment that have been issued, but are not yet effective. The Group assesses the potential impact arising from the adoption of new standards, including IFRS 18 "Presentation and Disclosure in Financial Statements" (effective from 1 January 2027), amendments to standards, interpretations, and improvements that have been issued but are not yet effective.

Notes to the Consolidated Financial Statements – 31 December 2025 (continued)

Functional and presentation currency. All amounts in these consolidated financial statements are presented in thousands of Kazakhstani Tenge, unless otherwise stated. The functional currency of the Company and its subsidiaries is Tenge.

Tax Code of the Republic of Kazakhstan (No. 214-VIII ZRK). On 18 July 2025, a new Tax Code of the Republic of Kazakhstan was adopted, which enters into force on 1 January 2026. The new Tax Code introduces changes to the taxation procedure of legal entities, including changes in tax rates, the tax base, as well as certain tax benefits and deductions. These changes will not have a significant impact on the Group.

Foreign currency transactions. Monetary assets and liabilities of the Group denominated in foreign currency at the reporting date are translated into Tenge at the official exchange rate of the Kazakhstan Stock Exchange ("KASE") at that date. On initial recognition, foreign currency transactions are accounted for at the exchange rate of the KASE prevailing at the date of the transaction. Subsequently, assets and liabilities of the Group denominated in foreign currency are restated on a monthly basis at KASE rate as at the month end. Gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currency are recognised in the statement of profit or loss.

At 31 December 2025 the official exchange rate used for translating foreign currency balances was

US Dollar (US$) 1 = Tenge 505.53 (31 December 2024: US$1 = Tenge 525.11). Currency control rules apply to converting Tenge into other currencies. Tenge is not freely convertible outside of the Republic of Kazakhstan.

Consolidated financial statements. The Consolidated financial statements of the Group include the consolidation of the financial statements of the Company and its subsidiaries drawn up to 31 December 2025.

Segment reporting. Group's operations are highly integrated and defined by Group's chief operating decision maker as a single reportable segment. Ferroalloy production includes production of chrome ore and sale of ferrochromium and other ferroalloys.

The Group's chief operating decision maker is the person or group of persons who allocates resources and assesses the performance for the Group's operating segments. The CODM identified an operating business unit based on the reports used for strategic decision making. When making decisions, management evaluates the segment's performance based on operating profit and profit before tax.

Information about revenue structure by geographic regions is disclosed in Note 18.

Property, plant and equipment. Property, plant and equipment is stated at cost less accumulated depreciation and impairment provision. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overhead costs.

The individual significant parts of an item of property, plant and equipment (components), whose useful lives are different from the useful life of the given asset as a whole are depreciated individually, applying depreciation rates reflecting their anticipated useful lives. Cost of replacing major parts or components of property, plant and equipment items are capitalised and the replaced part is retired. Gains or losses on replaced parts' write-off are recognised in the statement of profit or loss.

Mining assets are carried at cost less accumulated depreciation and less any accumulated impairment losses. Expenditures, including evaluation costs, incurred to establish or expand production capacity, as well as to conduct works for mining-construction, and mine preparation during the period of establishing project capacity or during mine reconstruction, are capitalised to mining assets.

Depreciation. Land is not depreciated. The cost of each item of property, plant and equipment is depreciated over its useful life to residual value. Each item's estimated useful life has due regard to both its own physical life limitations and/or the present assessment of economically recoverable reserves of the mine property at which the item is located.

Mining assets are depreciated using the units-of-production method based on the estimated economically recoverable proved and probable reserves to which they relate. If the estimated useful life of a particular asset is less than the corresponding useful life of the mine, then for such mining assets depreciation is calculated using the straight-line method or units of production method depending on the asset's production characteristics.

Changes in estimates, which affect unit-of-production calculations, are accounted for prospectively. The expected useful lives are as presented in the table below.

	Useful life in years
Buildings and constructions	10 - 60
Mining assets	10 - 60
Machinery, equipment and other	2 - 30
Vehicles	5 - 30
Mining assets and vehicles	Unit-of-production method

The liquidation value of an asset is close to zero if the Group expects to use the asset until the end of its physical service life. The assets' residual values and useful lives are reviewed and adjusted, if necessary, at the end of each reporting period.

Construction in progress is recognised at historical cost. When construction in progress is completed, the assets are transferred to property, plant and equipment at their carrying amounts. Construction in progress is not depreciated until the asset is ready for its intended use.

Stripping costs. Stripping (i.e. overburden and other waste removal) costs as the result of development of mines and open pits before production commences are capitalised as part of the cost of mining asset, and subsequently amortised using units of production method over the useful life of the mines or open pits. The stripping costs incurred subsequently during the production stage are included in cost of inventory to the extent that the benefit from the stripping activity is realised in the form of inventory produced.

In case if the benefit improves the access to the ore body in future, then the Group recognises the subsequent costs as a non-current asset - "stripping activity asset".

The Group recognises stripping activity asset where the following criteria are met:

- It is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the Group;
- The Group can identify the component of the ore body for which access has been improved; and
- The costs relating to the stripping activity associated with that component can be measured reliably.

The Group accounts for a stripping activity asset as an addition to, or as an enhancement of, an existing asset to which it relates. A stripping activity asset is initially measured at cost, which includes accumulated costs which are directly related to stripping activities that improve access to identifiable component of the ore body, plus allocation of costs that are directly related to overheads. Subsequently a stripping activity asset is carried at cost less depreciation or amortisation and impairment losses just as the existing asset of which it forms an integral part. A stripping activity asset is amortised using the units of production method in proportion to ore mined.

When the costs of the stripping activity asset and the inventory produced are not separately identifiable, production stripping costs are allocated between the inventory produced (current stripping costs) and the stripping activity asset, the Group allocates costs on the basis of the stripping coefficient.

Notes to the Consolidated Financial Statements – 31 December 2025 (continued)

Classification and subsequent measurement of financial assets. Financial assets carried at amortised cost include loans receivable, trade receivables, excluding provisionally priced trade receivables, cash and cash equivalents and other financial assets held to collect the contractual cash flows.

Investments at fair value. Changes in investments at fair value are recognized in profit or loss.

Trade and other receivables. Trade and other receivables (other than provisionally priced trade receivables carried at fair value through profit or loss) are recognised initially at fair value and are subsequently carried at amortised cost less provision for impairment.

Prepayments. Prepayment is recognised in the financial statements at cost less provision for impairment. Prepayments paid to suppliers for future deliveries of property, plant and equipment are recognised within other non-current assets. Prepayments for future deliveries of inventories are recognised within other current assets.

Foreign currency denominated prepayments for goods and services represent non-monetary items and, therefore, are measured at market exchange rate at the date of prepayment, and are not subject to remeasurement at the end of reporting period. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly, and a corresponding impairment loss is charged to profit or loss.

Impairment of trade receivables. The Group applies the simplified approach to measuring expected credit losses on trade receivables, recognising lifetime expected credit losses. Expected credit losses for large trade receivables are assessed on an individual basis, based on assumptions regarding the probability of default and expected loss given default for entities with similar credit ratings. For trade receivables with shared credit risk characteristics, the Group applies the simplified approach using a provision matrix, which allows for the recognition of lifetime expected credit losses. The provision matrix is based on historical credit losses, adjusted for forward-looking macroeconomic factors, and is updated at each reporting date. Trade receivables are grouped based on days past due, and expected credit loss rates are determined based on historical analysis of default rates. Changes in the loss allowance are recognised in the statement of profit or loss.

Inventories. Cost of inventory is determined on a weighted average cost basis. Chrome, manganese and other extracted minerals are recognised as raw materials when extracted and valued at the average cost of extraction. The cost of finished goods and work in progress comprises the cost of raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less any further costs expected to be incurred to completion and sale.

Cash and cash equivalents. Cash and cash equivalents include balances in bank accounts, cash in hand, deposits held at call with banks or having original maturities within three months, and other short-term highly liquid investments with original maturity of less than three months.

Cash placed in banks for a period over three months, unless it is restricted, and is available and intended for early withdrawal, is also included into cash and cash equivalents.

However, cash placed in banks for a period over three months in order to generate investment income, not intended for early withdrawal, is included into other current or non-current assets. Cash restricted for more than three months are included in other current or non-current assets depending on the maturity.

Share capital. Preference shares are compound financial instruments that contain both an equity component and a liability. The liability is initially recognised at its fair value by applying a market interest rate to the amount of mandatory annual dividends using a net present value formula for the period equal to the useful life of the mines.

The useful life of mines is used rather than a perpetuity since the Group will not generate cash flows or profits beyond the useful life of the mines.

Subsequently, the liability is measured at amortised cost. Effects of changes in cash flow estimates on carrying amounts are charged to the financial results. At initial recognition, the equity component is the residual, i.e. it is the proceeds received from the issuance of the preference shares less the fair value of the liability. The equity component is not subsequently re-measured.

Dividends. Dividends, except for the mandatory annual dividends on preference shares, are recognised as a liability and deducted from equity at the end reporting date only if they are declared before or on the reporting date. Mandatory annual dividends on preference shares are recognised as finance cost in the statement of profit or loss.

Dividends are disclosed when they are proposed before the reporting date or proposed or declared after the reporting date but before the consolidated financial statements are authorised for issue.

Notes to the Consolidated Financial Statements – 31 December 2025 (continued)

Provisions for liquidation and restoration of assets and obligation to eliminate the consequences of the operation of facilities that have a negative impact on the environment. Assets retirement obligations are recognised when it is highly probable to incur the costs and those costs can be measured reliably.

Asset retirement obligations and obligation to eliminate the consequences of the operation of facilities that have a negative impact on the environment include the costs of rehabilitation and costs of liquidation (demolition of buildings, constructions and infrastructure, dismantling of machinery and equipment, transportation of the residual materials, environmental clean-up, monitoring of wastes and land restoration).

Provisions for the estimated costs of liquidation, rehabilitation and restoration are established and charged to the cost of property, plant and equipment in the reporting period when an obligation arises from the respective land disturbance in the course of mine development or environment pollution, based on the discounted value of estimated future costs.

Provisions for asset retirement obligations and obligation to eliminate the consequences of the operation of facilities that have a negative impact on the environment do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure and restoration plan.

The cost estimates are calculated annually during the course of the operations to reflect known developments, e.g. updated cost estimates and revised term estimated lives of operations, and are subject to formal reviews on a regular basis.

The Group estimates its costs based on feasibility and engineering studies using current restoration standards and techniques for conducting restoration and retirement works.

The amortisation or "unwinding" of the discount applied in establishing the net present value of provisions is charged to the financial results in each reporting period. The amortisation of the discount is disclosed as finance cost.

Other movements in the provisions for assets retirement obligations, arising from new cases of disturbance as a result of mine development, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalised within property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate using the depreciation methods applied to those assets.

Movements in the provisions for asset retirement obligations that relate to disturbance caused by the production phase are charged to the statement of profit or loss.

Lease. The Group applies a consistent approach to the recognition and measurement of all types of leases, with the exception of short-term leases and leases of low-value assets. At the lease commencement date, the Group recognizes a lease liability and a right-of-use asset.

Right-of-Use Assets. The Group measures right-of-use assets using the cost model, less accumulated depreciation and accumulated impairment losses, and adjusts for remeasurement of the lease liability due to lease modifications.

Depreciation of right-of-use assets is calculated using the straight-line method. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term, or if the initial cost of the right-of-use asset reflects the lessee's intent to exercise a purchase option, the depreciation of the right-of-use asset is recognized from the lease commencement date until the end of the useful life of the underlying asset. Otherwise, depreciation of the right-of-use asset is recognized from the lease commencement date until the earlier of the following: the end of the useful life of the right-of-use asset or the end of the lease term. Right-of-use assets are also subject to impairment.

Lease Liabilities. At the lease commencement date, the Group measures the lease liability at the present value of lease payments that are not yet paid. The Group discounts the lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate in case of difficulty in determining the rate in the lease agreement.

Borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently carried at amortised cost.

Where a loan is obtained at interest rates different from market rates, the loan is measured at origination at its fair value, being future interest payments and principal repayments discounted at market interest rates for similar loans.

The difference between the fair value of the loan at origination, net of transaction costs and net proceeds from the loan, represents an origination gain/loss. The origination/loss gain is recognised in the consolidated statement of profit or loss and other comprehensive income within finance income/costs.

Subsequently, the carrying amount of the borrowings is adjusted for amortisation charged at the amount of profit or loss at initial recognition of borrowings, with the amount of amortisation reflected as financial costs on borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of reporting period.

The Group capitalises borrowing costs that could have been avoided if it had not made capital expenditures on qualifying assets. Capitalised borrowing costs are calculated on the basis of the Group's average funding cost (the weighted average interest cost is applied to capital expenditures on qualifying assets), except to the extent that funds have been borrowed to prepare a qualifying asset for use. When this occurs, actual borrowing costs incurred on specific borrowings during the period are capitalised, net of any investment income earned on the temporary investment of those borrowings.

The capitalisation commences when (a) the Group incurs the costs on a qualifying asset; (b) it incurs the borrowing costs; and (c) it takes steps to prepare the asset for use. Capitalisation of borrowing costs is suspended when construction and preparation of the qualifying asset for use is interrupted over an extended period of time. Capitalisation of borrowing costs continues until the date when substantially all the work required to prepare the asset for use or sale is completed.

Notes to the Consolidated Financial Statements – 31 December 2025 (continued)

Financial guarantees. The fair value of a financial guarantee will be the amount of the premium or commission received by the Group (issuer of the guarantee) for issuing the guarantee.

When the Group issues a premium-free guarantee or a guarantee at a premium different from market premium, fair value is determined using valuation techniques (e.g. market prices of similar instruments, interest rate differentials, etc.).

Losses at initial recognition of a financial guarantee liability are recognised in profit or loss within other finance cost. Financial guarantee liabilities are amortised on a straight-line basis over the life of the guarantees with respective income presented within other finance income. The procedure for determining the amount of the estimated loss allowance on financial guarantees is similar to that for impairment of loans receivable.

Trade and other payables. Trade and other payables are accrued when the counterparty performed its contractual obligations. The Group recognises trade payables at fair value. Subsequently, trade payables are carried at amortised cost.

Income taxes. Income taxes are recognised and measured in the consolidated financial statements in accordance with the legislation of the Republic of Kazakhstan effective at the reporting date. The income tax charge comprises current income tax (corporate income tax) and deferred income tax. The income tax charge is recognised in the statement of profit or loss, except for where it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Revenue recognition. A significant portion of production is sold under contracts of sale of goods. Revenue is recognised in the amount of transaction price, net of VAT and discounts.

Revenue from the sale of certain goods may be subject to adjustment as a result of commodity price changes at the time the goods are delivered to the point of destination, as well as a result of the customers' checking the quantity and quality of the products. In such cases, revenue is initially recognised at fair value at the time the goods are shipped. Final prices are generally determined within three months. Such revenue adjustments are accounted for in accordance with IFRS 9 'Financial Instruments' and accordingly, the requirements of IFRS 15 'Revenue from Contracts with Customers' relating to variable consideration do not apply. Such adjustments therefore represent revenue from sources other than contracts with customers.

Revenue from the sale of ferroalloys and other products is recognised at a point in time.

Changes in presentation and accounting policy. In 2025, the Group revised its accounting policy regarding the presentation of property, plant, and equipment in the consolidated financial statements. As a part of this review, the Group changed the classification of property, plant and equipment, separating mining assets from the category "Buildings and constructions" and vehicles from the category "Other" into separate categories of property, plant and equipment. The 'Other' group was combined with the "Machinery, equipment and other" group.

The carrying amount and movements of property, plant and equipment in Note 5 for prior periods were adjusted accordingly.

The table below presents the impact of the reclassification on the presentation of the figures as at 1 January 2024 and 31 December 2024:

In thousands of Kazakhstani Tenge	Buildings and constructions	Mining assets	Machinery and equipment	Machinery, equipment and other	Other	Vehicles
Originally presented carrying amount at 1 January 2024	185,956,907	-	173,549,825	-	21,760,099	-
Reclassification	(26,929,056)	26,929,056	(173,549,825)	173,549,825	(21,760,099)	21,760,099
Carrying amount after reclassification at 1 January 2024	159,027,851	26,929,056	-	173,549,825	-	21,760,099
Originally presented carrying amount at 31 December 2024	203,549,224	-	212,810,743	-	23,632,546	-
Reclassification	(28,338,256)	28,338,256	(212,810,743)	212,810,743	(23,632,546)	23,632,546
Carrying amount after reclassification at 31 December 2024	175,210,968	28,338,256	-	212,810,743	-	23,632,546

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies

The Group makes estimates and judgements that affect the reported amounts of assets and liabilities within the next financial period. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying

the accounting policies. Judgements that have the most significant effect on the amounts recognised in

the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial period include the following:

Subsurface use contracts. The major contract of the Group on subsurface use for the extraction of chromium ore expires in 2041. Management of the Group expects that this contract will be extended at nominal cost until the end of the useful life of the mine which is expected to be in 2074.

In these consolidated financial statements, the depreciation charge and the carrying amounts of property, plant and equipment were recorded on the assumption that the subsurface use contracts will be extended until the end of the useful life of the mine.

Estimated useful life of mining assets and mineral reserves. The mining assets, classified within property, plant and equipment, are depreciated over the respective life of the mine using the unit-of-production (UOP) method based on proved and probable mineral reserves.

Estimates of ore reserves can differ from period to period. This can affect the Group's financial results.

Such changes in reserves can affect the depreciation charge, carrying amount of assets and provisions for asset retirement liabilities.

Notes to the Consolidated Financial Statements – 31 December 2025 (continued)

The Group's ore reserves are based on the best available estimates of volumes of product which can be technically and economically justified, and, based on legal rights, obtained from the corresponding mining asset. The estimates are based on a range of factors, including the volume and grade of ore, production technologies and norms for extraction, forecasted commodity prices and production cost.

The estimation of mineral reserves is based on reserve calculation and mineral classification methodologies, as well as rules governing their inclusion in the state register of mineral reserves approved by the relevant authorities of the Republic of Kazakhstan. Reserve estimates are based on a number of substantiated assumptions, including:

- Forecast production volumes based on estimates of proven and probable reserves, as well as plans for the development and expansion of production capacity;
- Expected prices for commodity products determined with reference to current market prices, forward quotations and the Company's internal long-term price forecasts;
- Forecast operating costs of production, capital expenditures and future asset restoration obligations.

Provisions for assets retirement obligations. In accordance with the environmental legislation and the subsurface use contracts, the Group has a legal obligation to remediate damage caused to the environment from its operations and to decommission its mining assets and waste polygons and restore a landfill site after its closure.

Provisions are made, based on the net present values, for site restoration and rehabilitation costs as soon as the obligation arises from past mining activities.

The provisions for assets retirement obligation are estimated based on the Group's interpretation of current environmental legislation in the Republic of Kazakhstan and the Group's related program for liquidation of subsurface use consequences on the contracted territory and other operations supported by the feasibility study and engineering researches in accordance with the existing restoration and retirement standards and techniques.

Provisions for asset retirement obligations are subject to potential changes in environmental regulatory requirements and the interpretation of the legislation.

Provisions for assets retirement obligations are recognised when there is a certainty of incurring such liabilities and when it is possible to measure the amounts reliably.

Impairment of non-financial assets. At the end of each reporting period the Group is analysing assets (cash generating units) to identify impairment indicators. On the basis of internal and external factor review, management concluded that there were no impairment indicators at the end of the reporting period.

Impairment of loans receivable. The evaluation of expected credit losses requires the use of significant assumptions including the probability of default, collection and timing of the expected recovery of future cash flows on loans. Changes in such assumptions may affect the recoverable amount or the allowance for such assets. Management regularly reviews assumptions. Expected credit losses on loans receivable were calculated based on the credit risk of companies with comparable rating. As of 31 December 2025 the loans receivable were classified in the Stage 1. Such management's judgment is based on the going concern assessment of ERG Group.

Measurement of financial guarantees. The Group applies the credit swap method to determine the fair value of financial guarantees. The fair value of the financial guarantee liability is calculated by reference to the guaranteed borrowing amount, interest rate and risk indicators. For borrowing facility agreements where the Group is liable jointly and severally with other guarantors, the market commission determined with reference to credit default swaps of companies with a similar credit rating and distributed among guarantors. This represents management's best estimate of the Group's exposure to credit risk associated with the issued guarantees. Such management's judgment is based on the going concern assessment of ERG Group.

Cost of guarantees is allocated between co-guarantors based on fair value of co-guarantors net assets.

Management concluded that it is unlikely that the Group will be required to settle the guaranteed obligations.

Tax and transfer pricing legislation. Kazakhstan tax and transfer pricing legislation is subject to varying interpretations.

4. Balances and Transactions with Related Parties

Parent company: Information is disclosed in Note 1.

Entities under common control: entities under control of ERG.

Entities under control of Class B Managers: Class B Managers and all entities under their control are related parties of the Group as a result of Class B Managers' indirect interests in the ordinary shares of ERG. Class B Managers are members of the Board of Managers of ERG.

Government related entities: The Republic of Kazakhstan and related legal entities. The Republic of Kazakhstan is the Group's related party based on significant influence on ERG.

Key management: persons with direct or indirect authority and responsibility for planning, coordination and control of the Group's operations.

At 31 December 2025, the outstanding balances with related parties were as follows:

In thousands of Kazakhstani Tenge	Parent Company	Entities under common control	Entities under control of Class B Managers	Government related entities	Key management
Assets:					
Investment measured at fair value	-	5,364,899	-	-	-
Investment in an associate	-	96,800,256	-	-	-
Loans receivable[1]	99,081,232	304,610,049	-	469,252	-
Other non-current assets	-	778,433	2,891,823	23,260	-
Trade and other receivables	-	15,744,565	2,644,003	5,564,493	-
Cash and cash equivalents	-	-	79,211,899	-	-
Other current assets	-	-	994,558	-	-
Liabilities:					
Borrowings	-	-	-	21,890,845	-
Lease liability	-	-	-	267,992	-
Preference shares obligations	7,145,834	-	-	-	-
Employee benefit obligations	-	-	-	-	210,081
Financial guarantees	49,621,619	-	-	-	-
Trade and other payables	-	152,693,068	480,995	12,568,638	-

In 2025, the Group transferred 100% ownership interest in the charter capital of KhromtauTransEnergo LLP to the state ownership free of charge (Note 21).

1 Expected credit loss allowance on loans receivable is disclosed in Note 10.

Notes to the Consolidated Financial Statements – 31 December 2025 (continued)

At 31 December 2024, the outstanding balances with related parties were as follows:

In thousands of Kazakhstani Tenge	Parent Company	Entities under common control	Entities under control of Class B Managers	Government related entities	Key management
Assets:					
Investment measured at fair value	-	5,364,899	-	-	-
Investment in an associate	-	115,504,058	-	-	-
Loans receivable[1]	43,935,378	295,776,640	-	399,221	-
Other non-current assets	-	977,990	3,260,908	1,862,227	-
Trade and other receivables	-	16,752,204	476,106	5,214,244	-
Cash and cash equivalents	-	-	90,578,986	3,618	-
Other current assets	-	-	132,177	-	-
Liabilities:					
Borrowings	-	-	-	25,038,941	-
Lease liability	-	2,987	-	271,420	-
Preference shares obligations	7,269,518	-	-	-	-
Employee benefit obligations	-	-	-	-	136,636
Financial guarantees	59,540,508	-	-	-	-
Trade and other payables	-	60,948,781	976,141	11,538,484	-

The income and expense items with related parties for the year ended 31 December 2025 were as follows:

In thousands of Kazakhstani Tenge	Parent Company	Entities under common control	Entities under control of Class B Managers	Government related entities	Key management
Revenue	-	1,566,592	3,417	5,312,712	-
Cost of sales	-	(172,940,196)	(13,988,143)	(88,346,310)	-
Other operating income	-	2,640,472	6,416,216	125,606	-
Other operating expense	-	(595,919)	(369,242)	(176,463)	-
Distribution costs	-	(1,035,809)	(9,306)	(438,662)	-
Research, business development and exploration costs	-	(4,987,048)	(10,887)	(20,501)	-
General and administrative expenses	-	(17,276,688)	(692,952)	(533,649)	(1,314,337)
Share in results of an associate	-	(18,703,802)	-	-	-
Finance income	11,362,145	10,241,861	170,717	736,089	-
Finance cost	(2,461,317)	(1,199,955)	(4,391)	(58,107)	-

1 Expected credit loss allowance on loans receivable is disclosed in Note 10.

The income and expense items with related parties for the year ended 31 December 2024 were as follows:

In thousands of Kazakhstani Tenge	Parent Company	Entities under common control	Entities under control of Class B Managers	Government related entities	Key management
Revenue	-	2,383,320	6,944	4,868,147	-
Cost of sales	-	(160,853,830)	(12,864,739)	(69,520,199)	-
Other operating income	-	2,536,870	264	3,737	-
Other operating expense	-	838,285	(584,880)	(676,896)	-
Distribution costs	-	(804,442)	(7,990)	(732,512)	-
Research, business development and exploration costs	-	(2,721,558)	(20,234)	(3,715)	-
General and administrative expenses	-	(21,738,083)	(543,397)	(298,293)	(948,307)
Share in results of an associate	-	14,061,302	-	-	-
Finance income	10,275,662	20,299,612	1,693,908	55,354	-
Finance cost[2]	(65,481,406)	45,964,715	4,672,214	(2,009,700)	-

General and administrative expenses for the key management consist of salaries and short-term bonuses.

Parent Company. Balances and transactions with the Parent Company comprise mainly loans receivable, financial guarantees, finance income and finance cost related to loans.

Entities under common control. During 2025 and 2024, the Group mainly sold ferroalloys. Prices for ferroalloys depends on the global markets. The Group purchased materials, electricity and management services and provided sponsorship aid.

Entities under control of Class B Managers. Balances and transactions with entities under control of class B Managers comprise mainly treasury operations carried out through a bank under control of Class B Managers, and insurance services.

Government related entities. The Group performs transactions on purchase and sale of goods and services with government related entities. Such transactions are usually carried out on market conditions or on the basis of tariffs established for all market participants. The Group procured natural gas supply and transportation services, railway services, and electricity transportation services. Operations with the State of the Republic of Kazakhstan also includes tax operations, which are disclosed in Notes 9, 21, 23 in accordance with the tax legislation of the Republic of Kazakhstan.

In addition, the Company has Agreement on opening a credit line with Development Bank of Kazakhstan JSC in US$ on target terms use. Detailed information on tranches received under this Agreement is disclosed in Note 13.

2 Finance cost include net gain/(loss) from exchange rate differences on loans receivable and deposits, which arise at the level of individual companies within the ERG Group, as well as expense from the derecognition of financial guarantees.

Notes to the Consolidated Financial Statements – 31 December 2025 (continued)

5. Property, Plant and Equipment

In thousands of Kazakhstani Tenge	Land	Buildings and constructions	Machinery, equipment and other	Vehicles	Mining assets	Construction in progress	Total
Cost at 31 December 2023	5,756,109	261,961,267	480,088,694	43,555,864	69,994,411	429,392,581	1,290,748,926
Accumulated depreciation	(127,933)	(102,933,416)	(306,538,869)	(21,795,765)	(43,065,355)	-	(474,461,338)
Carrying amount at 31 December 2023	**5,628,176**	**159,027,851**	**173,549,825**	**21,760,099**	**26,929,056**	**429,392,581**	**816,287,588**
Additions	303,051	715,235	14,994,838	3,566,800	-	191,710,045	211,289,969
Changes in estimates of assets retirement obligations	-	(5,067,371)	(23,013)	(5)	-	-	(5,090,389)
Transfers	-	37,526,161	69,400,709	1,937,229	13,447,488	(122,311,587)	-
Transfers (to)/from inventories	-	-	-	-		5,930,639	5,930,639
Depreciation charge	(30,980)	(15,053,057)	(44,994,053)	(3,631,240)	(12,038,289)	-	(75,747,619)
Disposals	(1,395)	(1,688)	(19,045)	(337)	-	(6,106)	(28,571)
Impairment	-	(1,936,162)	(98,518)	-	-	(2,308,446)	(4,343,126)
Cost at 31 December 2024	6,057,555	289,612,886	554,962,712	48,323,196	83,441,899	502,407,126	1,484,805,374
Accumulated depreciation	(158,703)	(114,401,917)	(342,151,969)	(24,690,650)	(55,103,644)	-	(536,506,883)
Carrying amount at 31 December 2024	**5,898,852**	**175,210,969**	**212,810,743**	**23,632,546**	**28,338,255**	**502,407,126**	**948,298,491**
Additions	77,742	187,992	10,618,592	1,035,305	-	189,420,775	201,340,406
Changes in estimates of assets retirement obligations	-	(3,224,611)	(59,830)	(2)	(94,552)	-	(3,378,995)
Transfers	1,836	40,857,503	86,044,784	1,575,112	229,244,707	(357,723,942)	-
Transfers (to)/from inventories	-	-	-	-	-	(708,030)	(708,030)
Depreciation charge	(16,652)	(15,151,506)	(55,114,460)	(4,013,037)	(21,078,307)	-	(95,373,962)
Disposals	(13,906)	(32,816)	(345,839)	(150,485)	-	(277,627)	(820,673)
Impairment	-	-	(54,739)	-	-	(365,873)	(420,612)
Cost at 31 December 2025	6,053,167	314,150,477	645,169,348	50,960,494	323,056,982	332,752,429	1,672,142,897
Accumulated depreciation	(105,295)	(116,302,946)	(391,270,097)	(28,881,055)	(86,646,879)	-	(623,206,272)
Carrying amount at 31 December 2025	**5,947,872**	**197,847,531**	**253,899,251**	**22,079,439**	**236,410,103**	**332,752,429**	**1,048,936,625**

Additions to construction in progress include capitalised borrowing costs Tenge 9,833,510 thousand (2024: Tenge 28,606,296 thousand). Capitalization rate was 9.74% (2024: 11.23%).

As at 31 December 2025, the carrying amount of right-of-use assets was Tenge 5,225,620 thousand (2024: Tenge 4,024,652 thousand).

6. Investment in an Associate

The Group's share in its associate is as follows:

Company name	Registration country	Operations	2025		2024	
			Thousands Tenge	Share, %	Thousands Tenge	Share, %
Credit Partnership ENRC Credit LLP	Kazakhstan	Financing	96,800,256	49.9	115,504,058	49.9
Total investment in an associate			**96,800,256**		**115,504,058**	

The table below presents the changes in the carrying amount of the Group's investment in an associate:

In thousands of Kazakhstani Tenge	2025	2024
Carrying amount at 1 January 2025	**115,504,058**	**101,442,756**
Share in the associate's results	(18,703,802)	14,061,302
Carrying amount at 31 December 2025	**96,800,256**	**115,504,058**

The summary financial information of the associate is set out in the table below:

In thousands of Kazakhstani Tenge	Credit Partnership ENRC Credit LLP	
	2025	2024
Current assets	130,298,002	50,421,944
Non-current assets	185,117,672	285,047,384
Current liabilities	114,424,324	11,786,716
Non-current liabilities	7,007,306	92,216,000
Net assets	**193,984,044**	**231,466,612**
The Group's share in the associate's net assets	**96,800,256**	**115,504,058**
Income from core activities	126,454,564	71,941,426
(Loss)/profit for the year	(37,482,568)	28,178,962
Group's share in the associate's (loss)/profit	**(18,703,802)**	**14,061,302**

The decrease in the carrying amount of the investment in 2025 is mainly due to the recognition by the associate of a loss on the modification of previously issued loans, which resulted to the derecognition of the original loans and the recognition of new loans at fair value.

7. Other Non-current Assets

Other non-current assets are represented mainly by long-term advances paid for property, plant and equipment and construction services in amount of Tenge 21,811,385 thousand (2024: Tenge 28,281,077 thousand).

Notes to the Consolidated Financial Statements – 31 December 2025 (continued)

8. Inventories

In thousands of Kazakhstani Tenge	2025	2024
Raw materials and supplies	151,194,745	131,438,110
Work in progress	35,138,168	42,570,461
Finished goods	20,574,953	20,750,967
Less: provision for obsolete and slow-moving inventories	(10,622,375)	(9,721,266)
Total inventories	**196,285,491**	**185,038,272**

9. Trade and Other Receivables

In thousands of Kazakhstani Tenge	2025	2024
Trade receivables provisionally priced (Note 26)	75,570,484	64,934,015
Trade receivables	26,031,650	20,685,516
Other	4,857,426	2,265,020
Less: loss allowance	(701,689)	(2,135,590)
Total financial assets	**105,757,871**	**85,748,961**
VAT recoverable and other taxes	74,114,927	80,971,216
Prepayments	16,126,777	17,481,746
Other	81,370	80,793
Less: loss allowance	(2,717,440)	(2,560,276)
Total non-financial assets	**87,605,634**	**95,973,479**
Total trade and other receivables	**193,363,505**	**181,722,440**

Analysis of expected credit losses for trade receivables carried at amortised cost is presented below.

In thousands of Kazakhstani Tenge	31 December 2025			31 December 2024		
	Gross carrying amount	Expected credit losses	Net amount	Gross carrying amount	Expected credit losses	Net amount
Receivables according to provision matrix						
Current	**592,611**	**(32,660)**	**559,951**	**5,350,762**	**(189,587)**	**5,161,175**
Less than 3 months overdue	647,831	(9,693)	638,138	5,289,269	(218,933)	5,070,336
3 to 6 months overdue	7,064	(2,841)	4,223	776,096	(382,105)	393,991
6 to 12 months overdue	12,881	(6,951)	5,930	713,748	(449,839)	263,909
More than 12 months overdue	399,687	(319,750)	79,937	529,580	(402,421)	127,159
Total past due	**1,067,463**	**(339,235)**	**728,228**	**7,308,693**	**(1,453,298)**	**5,855,395**
Total current and past due	**1,660,074**	**(371,895)**	**1,288,179**	**12,659,455**	**(1,642,885)**	**11,016,570**
Receivables measured on an individual basis for expected credit losses	**29,229,002**	**(329,794)**	**28,899,208**	**10,291,081**	**(492,705)**	**9,798,376**
Total trade and other receivables (financial assets)	**30,889,076**	**(701,689)**	**30,187,387**	**22,950,536**	**(2,135,590)**	**20,814,946**

10. Loans Receivable

In thousands of Kazakhstani Tenge	2025	2024
Loss allowance at 1 January	**7,624,101**	**5,324,623**
Loans issued	2,137,491	2,709,585
Loans repaid	(77,596)	(705,349)
Changes to expected credit losses measurement assumptions and modification of contract terms	690,258	295,242
Loss allowance at 31 December	**10,374,254**	**7,624,101**

In February 2025, the Group signed an agreement to open a new syndicated credit line with its parent company and entities under the common control of ERG for up to US$400 million (Tenge 201,444,000 thousand).

In December 2025, the Group signed an agreement to open a credit line with an entity under the common control of ERG for US$25.5 million (Tenge 12,794,753 thousand).

During 2025, as part of the new and existing syndicated loan lines, the Group provided loans to the parent company in the amount of US$114.6 million (Tenge 59,559,062 thousand) and to entities under the common control of ERG in the amount of US$46 million (Tenge 23,284,283 thousand).

In February 2024, the Group signed an agreement to open a new syndicated credit line with entities under the common control of ERG for up to US$200 million (Tenge 90,094,000 thousand).

During 2024, the Group, under the existing loan agreement and existing syndicated credit facilities, provided a loan to entities under common control of ERG in the amount of US$1,645 million (Tenge 746,249,153 thousand). This amount includes a loan provided to KCR International B.V. within the novation agreement between KCR International B.V., KCR METALS-FZCO and the Company totaling US$1,316 million (Tenge 592,090,721 thousand). This loan was fully repaid in 2024 (Note 13).

In 2024, loans in the amount of US$184 million (Tenge 85,566,357 thousand) were repaid, by the Parent company and by the entities under common control of ERG.

11. Cash and Cash Equivalents

In thousands of Kazakhstani Tenge	31 December 2025	31 December 2024
Term deposits	76,512,703	89,938,506
Cash in bank accounts and cash on hand	2,707,378	648,406
Total cash and cash equivalents	**79,220,081**	**90,586,912**

Notes to the Consolidated Financial Statements – 31 December 2025 (continued)

12. Share Capital

In thousands of Kazakhstani Tenge	31 December 2024 and 2025	
	Quantity	Amount
Ordinary shares	99,953,939	100,058,381
Preference shares	9,896,772	2,664,662
Total nominal issued share capital		**102,723,043**
Ordinary shares		(104,442)
Preference shares		(556,462)
Total unpaid charter capital		**(660,904)**
Share capital indexation for hyperinflation		4,442,888
Total share capital		**106,505,027**

The par value of ordinary shares is Tenge 1,000 per share (2024: Tenge 1,000 per share). Each ordinary share carries one vote. In 2025 and 2024 the Group did not issue ordinary shares.

The par value of preference shares is Tenge 1,000 per share (2024: Tenge 1,000 per share).

No dividends were declared in 2025 (2024: KZT 4.03 per share).

No dividends were paid on preferred shares other than the guaranteed amount of KZT 100 per preferred share (2024: KZT 4.03 in addition to the guaranteed amount of KZT 100 per preferred share).

Dividends declared and paid during the year were as follows:

In thousands of Kazakhstani Tenge	2025			2024		
	Ordinary shares	Preference shares		Ordinary shares	Preference shares	
		Equity	Liability		Equity	Liability
Dividends payable at 1 January	398,805	5,393,939	989,334	398,758	5,419,970	1,978,668
Dividends declared	-	858	989,334	402,812	40,729	-
Dividends paid	-	(26,697)	(989,334)	(402,765)	(66,760)	(989,334)
Dividends payable at 31 December	**398,805**	**5,368,100**	**989,334**	**398,805**	**5,393,939**	**989,334**

13. Debt Liabilities

In 2025, the Group received tranche from Development Bank of Kazakhstan under the existing credit facility in the aggregate amount of US$6.4 million (Tenge 3,208,192 thousand) (2024: US$15.9 million (Tenge 7,193,659 thousand) (Note 4).

In 2025, the Group entered into a loan agreement with Development Bank of Kazakhstan for up to Chinese yuan 760.3 million (Tenge 55,897,035 thousand) to finance the construction of a waste-to-energy power plant. As of 31 December 2025, no tranches had been disbursed under the agreement.

In 2024, the Group entered into a loan agreement with Epiroc Financial Solutions AB to finance equipment supplies in the amount of EUR 27.6 million (Tenge 14,757,862 thousand). As of 31 December 2025, the remaining balance of the loan agreement amounted to EUR 17.6 million (Tenge 10,467,783 thousand).

In January 2024, the Novation Agreement between KCR International B.V., KCR-METALS FZCO and the Company came into force and amendments to the credit facility with VTB Bank (PJSC) were signed. As a result of these events, KCR International B.V. assigned to the Company the obligations under the loan agreement with VTB Bank (PJSC) in the amount of US$1,316 million (Tenge 592,090,721 thousand) (including the principal amount of US$1,181 million (Tenge 531,336,905 thousand) and accrued interest of US$135 million) (Tenge 60,837,235 thousand). At the same time, the Company received compensation under Novation agreement from the KCR international in the amount of US$1,316 million (Tenge 592,090,721 thousand), immediately thereafter, the Company transferred these obligations to KCR METALS-FZCO along with the right to claim receivables previously recognised by the Company from KCR International B.V.

In February 2024, the Group changed the currency of certain tranches within credit facility with VTB Bank (PJSC) in the aggregate amount of US$669 million (Tenge 306,204,353 thousand) from US dollars to Chinese yuan.

In thousands of Kazakhstani Tenge	Borrowings	Lease liability	Preference shares obligations	Total
Carrying amount at 1 January 2024	**1,111,103,133**	**3,245,607**	**7,889,328**	**1,122,238,068**
Cash movements	(160,732,419)	(1,415,180)	(989,334)	(163,136,933)
Foreign exchange adjustments	170,015,453	501,279	-	170,516,732
Other non-cash movements	114,560,738	1,034,775	927,637	116,523,150
Carrying amount at 31 December 2024	**1,234,946,905**	**3,366,481**	**7,827,631**	**1,246,141,017**
Cash movements	(191,600,162)	(2,801,232)	(989,334)	(195,390,728)
Foreign exchange adjustments	(28,983,658)	(144,269)	-	(29,127,927)
Other non-cash movements	108,781,787	3,756,042	856,154	113,393,983
Carrying amount at 31 December 2025	**1,123,144,872**	**4,177,022**	**7,694,451**	**1,135,016,345**

Other non-cash movements include primarily interest expense, unwinding of discount, loss on modification (Note 22) and dividends accrued.

The Group's credit facility agreements include a number of financial and non-financial covenants. The Group complied with applicable covenants at 31 December 2025 and 31 December 2024. Potential uncertainty regarding compliance with certain financial covenants at 30 June 2026 was resolved following confirmations from the banks ensuring compliance with the covenant tests on that date.

The key financial ratios monitored for covenant compliance are:

- Net debt to EBITDA;
- EBITDA to finance charges.

14. Trade and Other Payables

In thousands of Kazakhstani Tenge	2025	2024
Trade payables	276,635,508	142,329,234
Dividends payable	5,766,905	5,792,744
Other	604,417	518,304
Total financial liabilities	**283,006,830**	**148,640,282**
Payables to employees	16,362,009	12,547,524
Contract liabilities	628,484	1,564,165
Other	5,630,555	5,178,046
Total non-financial liabilities	**22,621,048**	**19,289,735**
Total trade and other payables	**305,627,878**	**167,930,017**

Notes to the Consolidated Financial Statements – 31 December 2025 (continued)

15. Provisions for Assets Retirement Obligations

In thousands of Kazakhstani Tenge	2025				2024			
	Mining assets	Landfill waste	Obligation to eliminate the consequences of the operation of facilities	Total	Mining assets	Landfill waste	Obligation to eliminate the consequences of the operation of facilities	Total
Long-term portion	4,346,035	3,778,414	758,950	8,883,399	7,585,666	3,247,109	2,001,009	12,833,784
Short-term portion	624,737	149,808	-	774,545	594,666	893,522	-	1,488,188
Total	**4,970,772**	**3,928,222**	**758,950**	**9,657,944**	**8,180,332**	**4,140,631**	**2,001,009**	**14,321,972**

In thousands of Kazakhstani Tenge	Mining assets		Landfill waste		Obligation to eliminate the consequences of the operation of facilities	Total
	Decommissioning costs	Landfill site restoration	Decommissioning costs	Landfill site restoration		
Carrying amount at 1 January 2024	**11,473,290**	**1,739,340**	**52,040**	**3,665,322**	**1,294,453**	**18,224,445**
Utilised during the year	-	(125,331)	-	-	-	(125,331)
Change in estimates	(5,548,900)	(535,961)	-	(178,560)	552,517	(5,710,904)
Unwinding of the present value discount	964,440	213,454	-	601,829	154,039	1,933,762
Carrying amount at 31 December 2024	**6,888,830**	**1,291,502**	**52,040**	**4,088,591**	**2,001,009**	**14,321,972**
Utilised during the year	-	(343,666)	-	-	-	(343,666)
Change in estimates	(3,776,438)	(96,438)	-	(718,277)	(1,520,867)	(6,112,020)
Unwinding of the present value discount	866,568	140,414	-	505,868	278,808	1,791,658
Carrying amount at 31 December 2025	**3,978,960**	**991,812**	**52,040**	**3,876,182**	**758,950**	**9,657,944**

Retirement obligations for mining assets should be settled at the end of the useful life of the mine expires in 2041. Retirement obligations for waste polygons should be settled at the end of useful life of each polygon between 2026 and 2066.

The obligation to eliminate the consequences of the operation of the facilities is payable after the full development of the deposits, which is expected in 2074.

Changes in estimates of reserves for obligations for liquidation and restoration of other assets led to a decrease the cost of sales in the amount of Tenge 2,733,026 thousand (2024: Tenge 885,034 thousand).

Principal assumptions made in calculations of assets retirement obligations are presented below:

In percent	2025	2024
Liquidation period	2026-2074 гг.	2025-2074 гг.
Discount rate	14.10-17.15	11.83-13.32
Inflation rate	5.90-11.46	4.80-6.90

16. Financial Guarantees

Entity	Guaranteed obligations		Period of the guarantee
	31 December 2025	31 December 2024	
Parent Company (Note 1)	621,534,892	618,183,605	2030 г.
Third parties	1,536,613	1,661,878	2036-2039 г.
Total	**623,071,505**	**619,845,483**	

The carrying amount of financial guarantees represents unamortised amount accounted for at initial recognition.

17. Earnings per Share and Book Value per Share

In thousands of Kazakhstani Tenge	2025	2024
Profit for the year	140,891,400	6,170,177
Profit attributable to preference shares	(12,689,375)	(555,717)
Net profit attributable to ordinary shareholders	128,202,025	5,614,460
Weighted average number of ordinary shares in issue	99,953,446	99,953,446
Basic and diluted earnings per ordinary share (in Tenge)	**1,283**	**56**

Book value per ordinary share

In thousands of Kazakhstani Tenge	31 December 2025	31 December 2024
Assets	2,067,139,857	1,920,522,293
Intangible assets	(166,303)	(320,978)
Liabilities	(1,521,190,460)	(1,516,635,332)
Share capital, preference shares	(2,664,662)	(2,664,662)
Net assets for ordinary shares	**543,118,432**	**400,901,321**
Number of ordinary shares	99,953,446	99,953,446
Book value per ordinary share (in Tenge)	5,434	4,011

Book value per preference share

In thousands of Kazakhstani Tenge	31 December 2025	31 December 2024
Share capital, preference shares	2,664,662	2,664,662
Capital attributable to preference shareholders	**2,664,662**	**2,664,662**
Debt component of the first-group preference shares charged to liabilities	6,705,117	6,838,297
Total	9,369,779	9,502,959
Number of preference shares	9,893,344	9,893,344
Book value per preference share (in Tenge)	**947**	**961**

The book value of a common and preference shares are calculated in accordance with Appendix 2 of the Rules for information disclosure by admittance initiators of securities of the Kazakhstan Stock Exchange.

Notes to the Consolidated Financial Statements – 31 December 2025 (continued)

18. Revenue

The table below provides the revenue by geographical location. Revenue by geographical location is allocated based on the legal registration of customers, while the final destination of products the sold products may be in alternative geographical locations.

In thousands of Kazakhstani Tenge	2025	2024
Europe	955,788,339	943,241,392
Eurasia	47,258,046	42,813,982
Kazakhstan	19,516,313	16,463,256
Total revenue	**1,022,562,698**	**1,002,518,630**

The table below provides revenue by product:

In thousands of Kazakhstani Tenge	2025	2024
High-carbon ferrochrome	847,692,545	825,236,236
Refined ferrochrome	87,934,608	89,193,667
Silicon alloys	77,670,517	78,184,606
Other	9,265,028	9,904,121
Total revenue	**1,022,562,698**	**1,002,518,630**

Revenue from one customer amounted to Tenge 955,788,339 thousand (2024: Tenge 943,241,392 thousand). Revenue for 2025 includes Tenge 15,634,577 thousand of loss from sources other than contracts with customers, representing adjustments to revenue accounted for in accordance with IFRS 9 (2024: loss of Tenge 68,064,701 thousand).

19. Cost of Sales

In thousands of Kazakhstani Tenge	2025	2024
Materials and components used	225,082,304	236,111,195
Staff costs	183,339,180	160,340,212
Power and energy expenses	130,772,003	116,112,691
Depreciation and amortisation	88,322,998	71,491,265
Other professional services	26,925,332	24,366,954
Mineral extraction tax	21,845,358	25,821,635
Repair and technical maintenance	18,182,590	16,547,599
Insurance	9,422,954	8,976,584
Expenses on information technologies	8,350,254	5,941,112
Agency and commission fees	4,888,737	4,902,816
Mining services	3,258,084	11,314,161
Accrual/(reversal) of provision for obsolete and slow-moving inventories	1,390,752	(3,606,018)
Changes in finished goods and work in progress inventories	(4,460,731)	17,410,044
Other	7,309,595	9,071,672
Total cost of sales	**724,629,410**	**704,801,922**

20. General and Administrative Expenses

In thousands of Kazakhstani Tenge	2025	2024
Management fees, professional and other services[1]	18,023,389	18,569,902
Staff costs	4,640,397	4,046,571
Sponsorship and charity	3,593,847	13,634,254
Tax penalties and penny	886,716	697,097
Depreciation and amortisation	476,981	540,760
Other taxes, except for income tax	301,594	477,733
Other	3,901,481	4,049,227
Total general and administrative expenses	**31,824,405**	**42,015,544**

1 During the year ended 31 December 2025, expenses for audit fees of PricewaterhouseCoopers LLP amounted to Tenge 251,367 thousand (2024: Tenge 325,250 thousand), for non-audit services - Tenge 0 (2024: Tenge 0).

21. Other Operating Income and Expenses

Other operating income is presented below:

In thousands of Kazakhstani Tenge	2025	2024
Insurance	6,395,684	-
Income from sales of materials	2,912,945	2,536,870
Foreign exchange gain	-	17,005,154
Other	2,416,156	1,539,545
Total other operating income	**11,724,785**	**21,081,569**

Below are other operating expenses:

In thousands of Kazakhstani Tenge	2025	2024
Foreign exchange loss	12,091,948	-
Expenses related to production shutdown	8,883,630	1,626,063
Loss from the disposal of a subsidiary	2,130,623	-
Staff costs	1,488,622	1,254,449
Depreciation of fixed assets	1,281,623	997,804
Utilities	1,089,598	1,272,428
Other taxes and duties	137,721	1,254,357
Inventory write-off costs	3,673	1,094,417
Reversal of other provisions for claims	(224,783)	(5,530,845)
Impairment of property, plant and equipment	-	4,279,063
Other	4,284,543	4,073,245
Total other operating expenses	**31,167,198**	**10,320,981**

22. Finance Income and Cost

Finance income is presented below:

In thousands of Kazakhstani Tenge	2025	2024
Interest income	26,985,376	18,675,228
Net foreign exchange gain	13,939,146	-
Income from amortization of the financial guarantees	9,924,965	9,282,449
Dividends	657,468	3,646,402
Other	973,454	1,130,597
Total finance income	**52,480,409**	**32,734,676**

Finance cost is presented below:

In thousands of Kazakhstani Tenge	2025	2024
Interest expense	76,609,171	49,587,958
Loss on the revision of contractual cash flows	21,569,467	13,271,846
(Premium)/amortization of the discount on financial instruments	(2,040,672)	12,236,520
Net foreign exchange loss	-	113,598,383
Loss from initial recognition of financial guarantees	-	54,426,487
Revaluation of investments at fair value	-	4,975,339
Loss from modification of borrowings	-	22,535,325
Other	6,263,994	11,348,878
Total finance cost	**102,401,960**	**281,980,736**



Notes to the Consolidated Financial Statements – 31 December 2025 (continued)

23. Income Tax

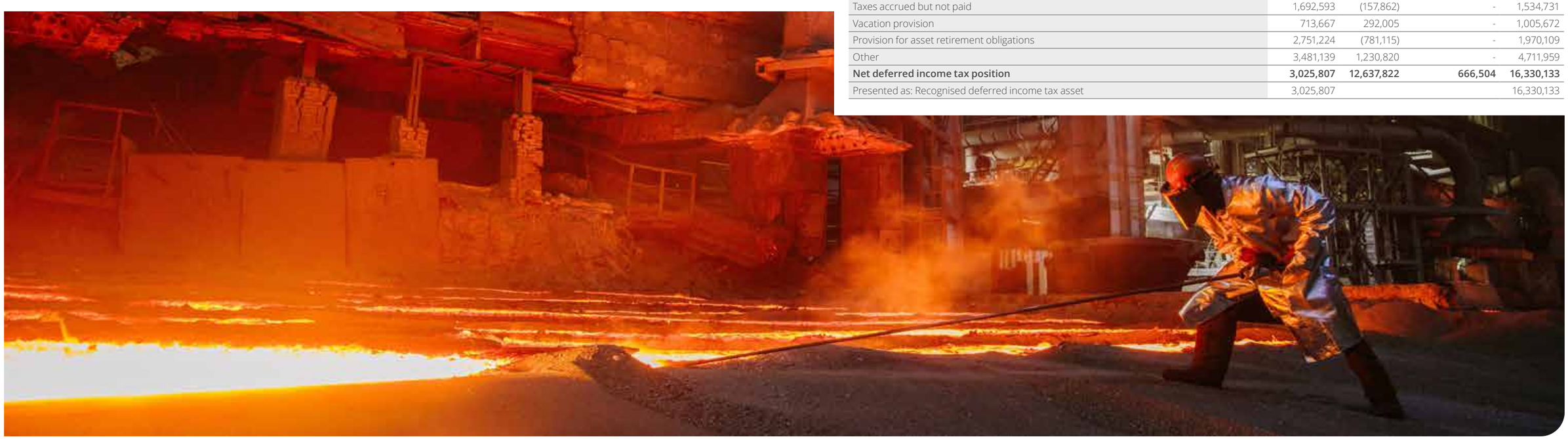
In thousands of Kazakhstani Tenge	2025	2024
Current income tax expense	18,919,408	21,192,846
Current income tax benefit – prior periods	(1,103,607)	(1,109,855)
Total current income tax expense	**17,815,801**	**20,082,991**
Deferred income tax expense/(benefit)	722,159	(12,637,822)
Total deferred income tax expense/(benefit)	722,159	(12,637,822)
Income tax expense for the year	**18,537,960**	**7,445,169**

The reconciliation between theoretical and actual tax expenses is presented below:

In thousands of Kazakhstani Tenge	2025	2024
Profit before tax	**159,427,401**	**13,610,493**
Tax charge at statutory rate of 20%	31,885,480	2,722,099
Tax effect of non-deductible or non-taxable items:		
· Share in results of associates	3,740,760	(2,812,260)
· Expenses for sponsorship and other financial aid	1,245,438	1,521,140
· Provision for legal claims	(43,898)	(1,106,169)
· Income tax – prior periods	(1,103,607)	(1,109,855)
· Financial guarantee	(1,984,993)	9,028,820
· Non-taxable income and non-deductible expense under investment contract	(16,994,850)	(6,532,584)
· Revaluation of investments	-	1,180,595
· Other	1,793,630	4,553,383
Income tax expense for the year	**18,537,960**	**7,445,169**

In thousands of Kazakhstani Tenge	1 January 2025	Charged to profit or loss	Charged to other comprehensive income	31 December 2025
Tax effect of deductible/(taxable) temporary differences				
Property, plant and equipment	3,321,524	(5,085,820)	-	(1,764,296)
Borrowings	(2,623,036)	3,085,708	-	462,672
Inventories	1,944,280	180,222	-	2,124,502
Loans receivable and other receivables	2,184,912	273,533	-	2,458,445
Employee benefits	2,279,982	(243,645)	(61,586)	1,974,751
Taxes accrued but not paid	1,534,731	(219,945)	-	1,314,786
Vacation provision	1,005,672	675,313	-	1,680,985
Provision for asset retirement obligations	1,970,109	(632,028)	-	1,338,081
Other	4,711,959	1,244,503	-	5,956,462
Net deferred income tax position	**16,330,133**	**(722,159)**	**(61,586)**	**15,546,388**
Presented as: Recognised deferred income tax asset	16,330,133			15,546,388

In thousands of Kazakhstani Tenge	1 January 2024	Charged to profit or loss	Charged to other comprehensive income	31 December 2024
Tax effect of deductible/(taxable) temporary differences				
Property, plant and equipment	540,521	2,781,003	-	3,321,524
Borrowings	(12,060,661)	9,437,625	-	(2,623,036)
Inventories	2,854,990	(910,710)	-	1,944,280
Loans receivable and other receivables	1,519,312	665,600	-	2,184,912
Employee benefits	1,533,022	80,456	666,504	2,279,982
Taxes accrued but not paid	1,692,593	(157,862)	-	1,534,731
Vacation provision	713,667	292,005	-	1,005,672
Provision for asset retirement obligations	2,751,224	(781,115)	-	1,970,109
Other	3,481,139	1,230,820	-	4,711,959
Net deferred income tax position	**3,025,807**	**12,637,822**	**666,504**	**16,330,133**
Presented as: Recognised deferred income tax asset	3,025,807			16,330,133



Notes to the Consolidated Financial Statements – 31 December 2025 (continued)

24. Contingencies, Commitments and Operating Risks

Tax legislation and transfer pricing legislation. Kazakhstani tax legislation and practice is in a state of continuous development, and therefore is subject to varying interpretations and frequent changes, which may have retroactive impact. Therefore, the interpretation of tax legislation by the tax authorities in relation to the Group's transactions and operations, may differ from management's interpretation. In this regard, tax position of the Group in respect of certain transactions may be challenged by the tax authorities, and this may lead to charging of additional tax liabilities, penalties and fines. Audited tax periods remain open for retrospective review by the Kazakhstan tax authorities before the expiration of the applicable statute of limitations. Whilst there is a risk that the Kazakhstan tax authorities may challenge the policies applied by the Group, including those related to transfer pricing, management believes that it will be able to successfully defend its position in case of disputes, and also notes that the amount of a potential claim by the tax authorities is not subject to reasonable assessment. Accordingly, at 31 December 2025 the financial statements have no provision for potential tax liabilities (2024: no provision recorded).

Contractual capital expenditure commitments. As at 31 December 2025, the Group has contractual capital expenditure commitments in respect of acquisition of property, plant and equipment and construction services totaling Tenge 74,257,707 thousand (2024: Tenge 58,517,977 thousand).

Legal proceedings. From time to time and in the normal course of business, claims against the Group are received. On the basis of its own estimates and both internal and external professional advice, Management of the Group is of the opinion that no material losses will be incurred in respect of these claims.

Environmental Commitment. According to the Environmental Code, operators of production facilities that have a negative impact on the environment, in addition to the obligation to eliminate the consequences of the operation of these facilities, also have an obligation to provide financial security to the government for the fulfillment of their obligations. The requirements regarding the provision of financial security will come into effect on 1 July 2029.

25. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group does not use derivative financial instruments for hedging certain risks.

(a) Market risk

Currency risk. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, in particular in relation to US$ and Chinese yuan. The Group exports ferroalloys abroad and attracts the significant amount of long-term borrowings in foreign currency. The Group does not use derivative financial instruments in order to decrease currency risk, and is thus exposed to foreign exchange risk. The Groups ERG management monitors foreign exchange risk exposure by currency and in total based on the Groups ERG consolidated position.

The table below summarizes the Group's exposure to currency risk at the end of the reporting period:

In thousands of Kazakhstani Tenge	US$	Chinese yuan	Other	Total
As of 31 December 2025				
Assets	556,171,030	-	8,581,836	564,752,866
Liabilities	(775,185,272)	(348,871,810)	(28,419,921)	(1,152,477,003)
Net exposure to currency risk	**(219,014,242)**	**(348,871,810)**	**(19,838,085)**	**(587,724,137)**
As of 31 December 2024				
Assets	471,689,447	-	6,858,868	478,548,315
Liabilities	(897,480,332)	(342,925,659)	(21,872,273)	(1,262,278,264)
Net exposure to currency risk	**(425,790,885)**	**(342,925,659)**	**(15,013,405)**	**(783,729,949)**

The following table presents sensitivities of profit or loss and equity to reasonably possible changes in exchange rates applied at the end of the reporting period relative to the functional currency of the respective Group entities, with all other variables held constant:

In thousands of Kazakhstani Tenge	Effect on profit/(loss) and equity	
	31 December 2025	31 December 2024
US$ strengthening/weakening by 20%	(35,042,279) 35,042,279	(68,126,542) 68,126,542
Chinese yuan strengthening/ weakening by 20%	(55,819,490) 55,819,490	(54,868,105) 54,868,105

Interest rate risk. Changes in interest rates may affect primarily borrowings and loans receivable. When raising or issuing new loans, Management uses its judgment to decide what interest rate would be most favorable to the Group over the expected period until maturity. Changes in market interest rates do not have a material impact on the Group's results of operations, as at the reporting date all loans attracted or issued were at fixed interest rates.

Price risk. The Group sells its products to third parties. The Group is exposed to price risk, since the selling prices for finished products depend on general and market specific fluctuations.

The Group is exposed to price risk, since the selling prices for the Group's ferroalloys depend on changes in prices in prevailing market commodity prices, which in their turn depend on general and specific market fluctuations. The Group does not use derivative financial instruments to hedge its exposure to commodity price risk because as per management's forecasts there is a tendency of historically high prices for ferroalloys, observed during the period before financial crisis, to be recovered.

A ten percent increase in commodity market prices for ferroalloys would increase profit before tax

by Tenge 3,975,193 thousand (2024: Tenge 4,847,610 thousand increase), and a ten percent decrease in prices would decrease profit before tax by Tenge 3,975,193 thousand (2024: Tenge 4,847,610 thousand decrease), with no additional impact on equity. This analysis assumes that all other variables remain constant.

Fluctuations of metal commodity prices affect the fair value assessment of provisionally priced trade receivables.

The Group is exposed to price risk over investments at fair value. However, the Group believes that this risk is not high, since these investments are unquoted investments in the ERG Group entities, and ERG Group controls expected cash flows related to these investments.

Notes to the Consolidated Financial Statements – 31 December 2025 (continued)

(b) Credit risk.

Credit risk mainly arises from cash and cash equivalents, term deposits, loans receivable, financial guarantees as well as credit exposures to customers, including outstanding receivables and confirmed transactions.

As at 31 December 2025, the Group placed cash and deposits to financial institutions with credit ratings ranging Ba2 in the amount of Tenge 83,003,284 thousand (2024: Tenge 94,016,350 thousand) and from B+ to Baa1 in the amount of Tenge 2,989 thousand (2024: Tenge 3,927 thousand), respectively. Also, the Group placed cash in financial institutions without credit rating in the amount of Tenge 5,138 thousand (2024: Tenge 3,410 thousand).

The Group has policies in place to ensure that sales of products and services are made to customers with good financial position and credit history. The majority sales of ferroalloys products are made to third parties. Customers, which do not match Group's credit solvency requirements, can carry out transactions with the Group only on prepayment terms. The carrying amount of cash and cash equivalents, short-term bank deposits with maturity of more than three months, loans receivable and accounts receivables (including receivables from related parties), net of loss allowance, guaranteed commitments under financial guarantees, capital and loan commitments represents the maximum amount exposed to credit risk.

At 31 December 2025 the Group had only four main trade customers. The total trade receivables for main products from four customer are Tenge 75,735,776 thousand (2024: four main debtors of Tenge 70,984,021 thousand) or 73.94% of the total trade and other receivables (2024: 82.91%). These receivables are short-term with a maturity period from one to three months, which is in compliance with the contract payment terms. The major part of loans receivable is due from related parties. In respect of other balances there is no history of significant default of counterparties. The recoverability of receivables may be affected by economic factors; however, management believes that the Group is not exposed to a significant risk of impairment losses in excess of the allowance already recognised.

(c) Liquidity risk.

Liquidity risk is defined as the risk of not meeting financial liabilities when they become due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Further details on the Group's going concern principle are discussed in Note 2.

Below is the information on contractual terms of financial liabilities settlement, including interest payments. Amounts in the table below represent the contractual undiscounted cash flows.

The table below represents information for 2025:

In thousands of Kazakhstani Tenge	Carrying value	Contractual cash flows	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Liabilities								
Borrowings	1,123,144,872	1,356,947,243	234,115,760	260,756,824	227,750,949	200,074,239	434,249,471	-
Leases	4,177,022	5,679,702	1,361,440	1,196,030	1,025,272	746,891	618,681	731,388
Preference shares obligations	7,694,451	15,829,344	989,334	989,334	989,334	989,334	989,334	10,882,674
Trade and other payables	283,006,830	283,006,830	283,006,830	-	-	-	-	-
Total	**1,418,023,175**	**1,661,463,119**	**519,473,364**	**262,942,188**	**229,765,555**	**201,810,464**	**435,857,486**	**11,614,062**
Assets								
Loans receivable	404,160,533	444,401,939	253,521,066	41,848,349	110,136,097	37,669,009	527,311	700,107
Trade and other receivables	105,757,871	105,757,871	105,757,871	-	-	-	-	-
Cash and cash equivalents	79,220,081	79,220,081	79,220,081	-	-	-	-	-
Other financial assets	9,659,950	11,819,740	994,558	573,951	245,635	281,517	264,355	9,459,724
Total	**598,798,435**	**641,199,631**	**439,493,576**	**42,422,300**	**110,381,732**	**37,950,526**	**791,666**	**10,159,831**

The table below represents information for 2024:

In thousands of Kazakhstani Tenge	Carrying value	Contractual cash flows	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Liabilities								
Borrowings	1,234,946,905	1,550,733,335	191,152,256	224,136,329	264,481,294	232,089,969	204,781,741	434,091,746
Leases	3,366,481	4,100,321	1,768,144	556,688	505,240	372,581	142,961	754,707
Preference shares obligations	7,827,631	16,818,678	989,334	989,334	989,334	989,334	989,334	11,872,008
Trade and other payables	148,640,282	148,640,282	148,640,282	-	-	-	-	-
Total	**1,394,781,299**	**1,720,292,616**	**342,550,016**	**225,682,351**	**265,975,868**	**233,451,884**	**205,914,036**	**446,718,461**
Assets								
Loans receivable	340,111,239	399,809,638	31,338,200	253,657,453	6,928,580	106,684,380	571	1,200,454
Trade and other receivables	85,748,961	85,748,961	85,748,961	-	-	-	-	-
Cash and cash equivalents	90,586,912	90,586,912	90,586,912	-	-	-	-	-
Other financial assets	9,838,555	10,980,271	132,177	1,165,720	188,857	405,673	42,222	9,045,622
Total	**526,285,667**	**587,125,782**	**207,806,250**	**254,823,173**	**7,117,437**	**107,090,053**	**42,793**	**10,246,076**

Notes to the Consolidated Financial Statements – 31 December 2025 (continued)

Capital risk management. Decisions in relation to the Group's activity on funding (through own or borrowed funds) are made at the ERG Group management. The ERG Group's objectives when managing capital are to ensure the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return on capital of shareholders or sell assets to reduce debt.

The Group considers the following amounts under capital management:

In thousands of Kazakhstani Tenge	2025	2024
Borrowings	1,123,144,872	1,234,946,905
Equity attributable to the Company's shareholders	545,908,157	403,842,904
Total capital	**1,669,053,029**	**1,638,789,809**

26. Fair Value of Financial Instruments

Fair value of financial instruments carried at amortised cost is based on the expected future cash flows discounted at current interest rates for new instruments with similar credit risks and remaining maturities.

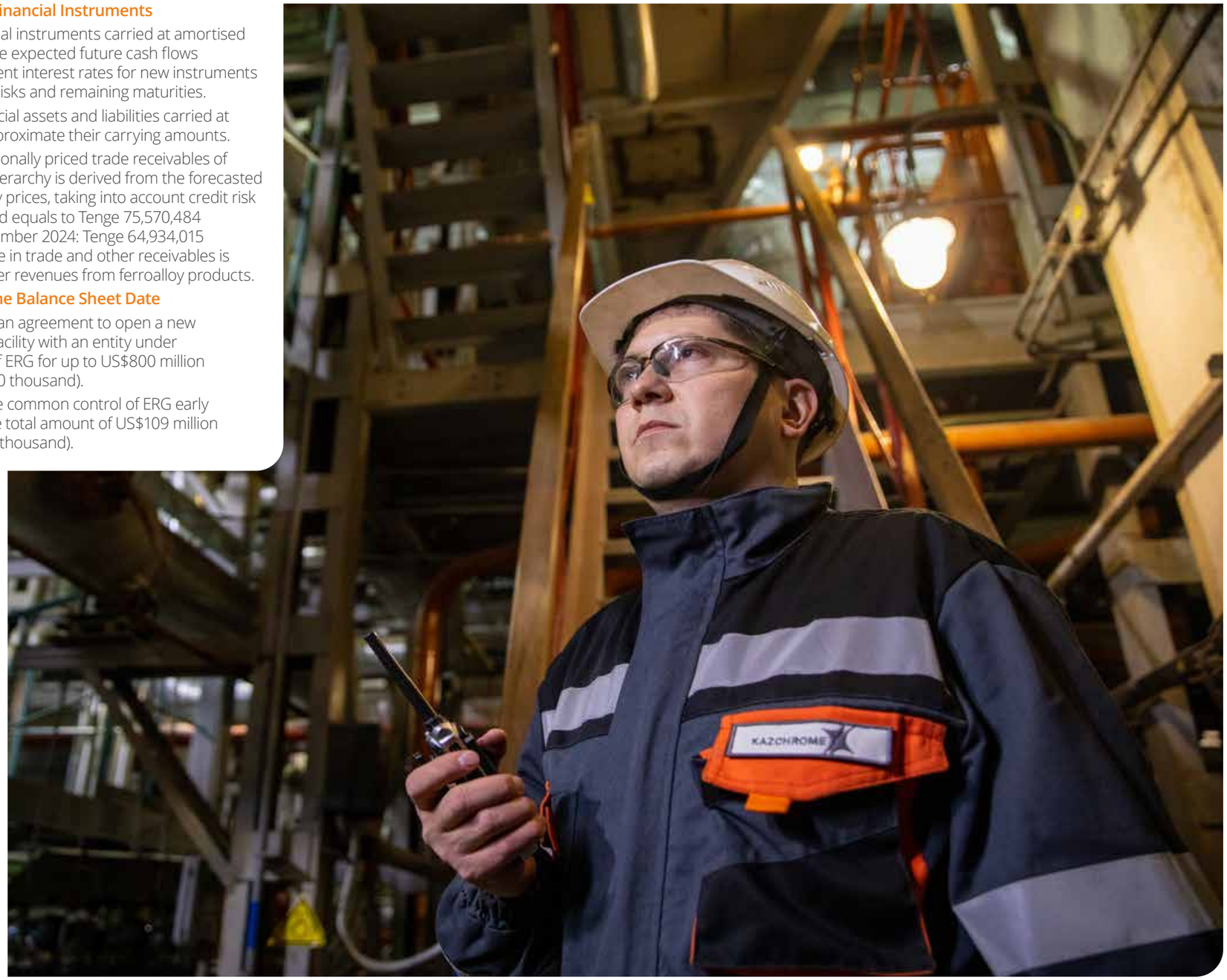
Fair values of financial assets and liabilities carried at amortised cost approximate their carrying amounts.

Fair value of provisionally priced trade receivables of Level 2 fair value hierarchy is derived from the forecasted quoted commodity prices, taking into account credit risk of counterparty and equals to Tenge 75,570,484 thousand (31 December 2024: Tenge 64,934,015 thousand). Increase in trade and other receivables is mainly due to higher revenues from ferroalloy products.

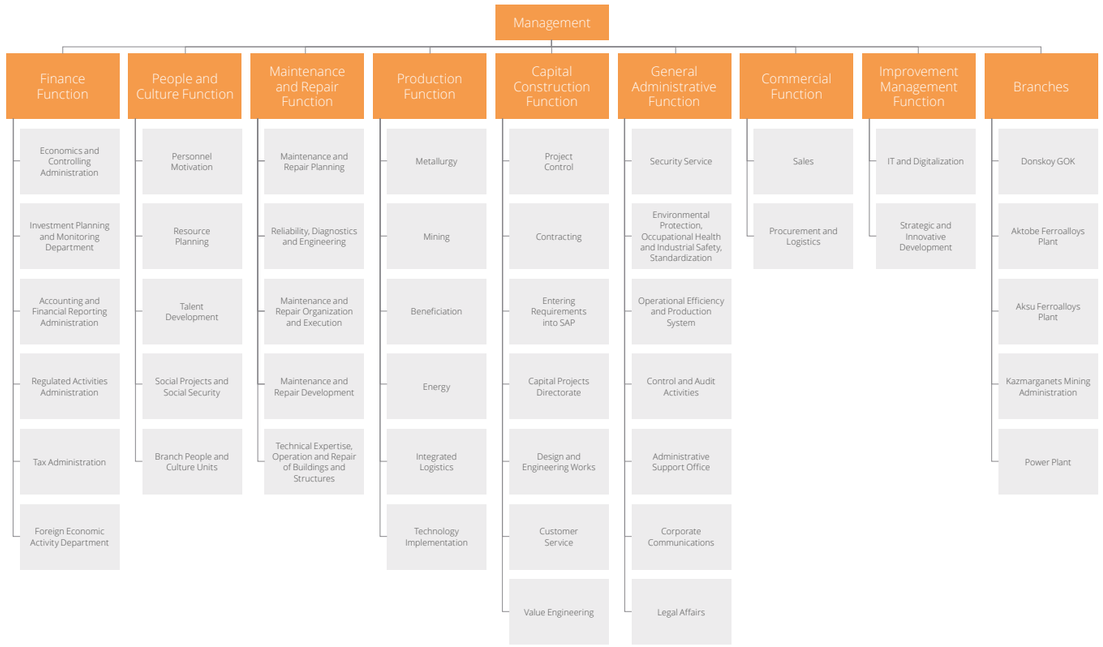
27. Events after the Balance Sheet Date

The Group signed an agreement to open a new syndicated credit facility with an entity under common control of ERG for up to US$800 million (Tenge 401,008,000 thousand).

An entity under the common control of ERG early repaid a loan in the total amount of US$109 million (Tenge 53,325,507 thousand).



Appendix 1: Organisational structure of the company



All operating assets of Kazchrome are located in the Republic of Kazakhstan, including:

Name of branch or subsidiary	Full name of head
Donskoy Ore Mining and Processing Plant	Baurzhan Kakimzhanovich Utemisov
Aktobe Ferroalloys Plant	Yerzhan Edgarovich Abdulabekov
Aksu Ferroalloys Plant	Musabek Zhamansarovich Makashev
Kazmarganets Mining Enterprise	Abai Zhaksylykovich Nurlanov
Power Station of the Aktobe Ferroalloys Plant	Vadim Nikolayevich Romanyuk
Heat and Power Station of the Aksu Ferroalloys Plant	Ilyas Muratovich Muzhkenov
Akzhar-Chrome LLP	Yelena Aleksandrovna Gaidukova

Name of branch or subsidiary	Average headcount for 2025	By gender	
		Women	Men
Management Office	474	244	230
Donskoy Ore Mining and Processing Plant	8,476	1,942	6,534
Aktobe Ferroalloys Plant	4,079	728	3,351
Aksu Ferroalloys Plant	5,946	1,230	4,716
Kazmarganets Mining Enterprise	188	48	140
Power Station of the Aktobe Ferroalloys Plant	111	19	92
Heat and Power Station of the Aksu Ferroalloys Plant	181	31	150
Subsidiary - Akzhar-Chrome LLP	5	4	1
Subsidiary - Donskaya Oil Depot JSC	26	18	8
TOTAL:	**19,486**	**4,264**	**15,222**

Appendix 2: Glossary

Units of Measurement

km – kilometer

km² – square kilometer

m³ – cubic meter

thousand – thousand

million – million

billion – billion

Terms

Dividend – a portion of a company's net profit distributed among shareholders.

Dividend policy – a set of principles and methods for determining the proportions between the capitalized part of the company's profit and the part of the company's profit paid in the form of dividends, as well as a system of relations and principles for determining the procedure and timing for paying dividends and establishing the company's liability for failure to fulfil the obligation to pay dividends.

Subsidiary companies, organisations, enterprises – legal entities in which the company owns a certain percentage of voting shares and, either by virtue of predominant participation in the authorized capital, or in accordance with a concluded agreement, or otherwise, is able to determine decisions made by such legal entities.

Open pit – a set of mine workings formed during open-pit extraction of a mineral resource; a mining enterprise for open-pit extraction of minerals.

Indirect energy use – the consumption of energy produced outside the organisation and used by it within its boundaries in intermediate forms of energy.

Listing rules – rules that an issuer of securities must comply with as a condition for listing on a particular stock exchange.

Smelting – the process of smelting ores or concentrates to separate metal from impurities.

SS – smelting shop.

Refined ferrochrome – ferrochrome with medium/low carbon content.

Mine – a mining enterprise for the extraction of minerals, predominantly ore, by underground or open-pit method.

Special coke – a solid carbonaceous reductant for electrometallurgical production with a particle size of 5–25 mm and ash content of not more than 10%.

Alloy – a mixture of two or more chemical elements, including at least one metal.