Annex No.2
to the Bulletin for absentee voting
at the Annual General Meeting of
Shareholders of UKTMP JSC
dd. July 25, 2025

UST-KAMENOGORSK TITANIUM AND MAGNESIUM PLANT JSC

Consolidated Financial Statements
For the Year Ended 31 December 2024, and

Independent Auditor's Report

UST-KAMENOGORSK TITANIUM AND MAGNESIUM PLANT JSC

CONTENT

STATEMENT OF THE MANAGEMENT'S RESPONSIBILITY FOR PREPARATION AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

The following statement, which must be considered together with the description of the responsibilities of the auditors in the presented opinion of the independent auditors, is made for the purpose of division of responsibilities of the management and the auditor regarding the consolidated financial statements of Ust-Kamenogorsk Titanium and Magnesium Plant JSC) (hereinafter – the Group).

The Group's management is responsible for preparation of the consolidated financial statements presenting fairly the financial position of the Company as of 31 December 2024 and consolidated performance, consolidated cash flows and consolidated change in the equity for the year then ended in accordance with the International Financial Reporting Standards (IFRS).

In preparing the consolidated financial statements, the management is responsible for:

- accurately selecting and applying appropriate accounting policy;
- applying justified estimates and calculations;
- complying with the requirements of the IFRSs or disclosing all material deviations from the IFRSs in the notes to the consolidated financial statements; and
- preparing the financial statements assuming that the Company will continue as a going concern for the foreseeable future except where such an assumption is unjustifiable.

The management is also responsible for:

- designing, implementing and ensuring the reliable internal control system in the Group;
- maintaining the accounting records in a form allowing disclosing and explaining the Group's transactions, as well as providing as of any date the adequate accurate information on the financial position of the Group and ensuring conformance of the consolidated financial statements to the requirements of IFRS;
- keeping accounting records in accordance with the legislation of the Republic of Kazakhstan;
- taking all reasonably possible actions to safeguard the Group's assets; and
- detecting and preventing financial and other abusive practices.

These consolidated financial statements for the year ended 31 December 2024 were approved for issue by the Group's management on 2 June 2025.

Approved and signed on behalf of the Group:

A.T. Mamutova **President** **UKTMP JSC**	**S.B. Serikpayev** **Financial director**	**Sh.Zh. Bukeyeva** **Acting chief accountant**

2 June 2025
Ust-Kamenogorsk, Republic of Kazakhstan

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INDEPENDENT AUDITORS' REPORT

To the shareholders of Ust-Kamenogorsk Titanium and Magnesium Plant JSC

Opinion

We have audited the consolidated financial statements of Ust-Kamenogorsk Titanium Magnesium Plant JSC (the "Company") and its subsidiaries (the "Group"), which comprise of the consolidated statement of financial position as at 31 December 2024, consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended and notes to the consolidated financial statements and significant accounting policy.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2024, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Code of Ethics of Professional Accountants of the Council of International Ethics Standards for Accountants (ISEC Code) and ethical requirements applicable to our audit of consolidated financial statements in the Republic of Kazakhstan, and we have fulfilled other ethical obligations in accordance with these requirements and ISEC Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are matters that, in our professional judgment, were the most significant for the audit of the consolidated financial statements for the reporting period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion hereon, we do not provide a separate opinion on these matters. We defined the following key matter about which it is necessary inform in the following report:

Useful life of the property, plant and equipment

Risk

Carrying amount of the property, plant and equipment and expenses for amortization comprise the material items of the consolidated statement of financial position and consolidated statement of profit and loss and other comprehensive income. We considered the determination of the useful life of the property, plant and equipment as significant risk because of the process of determination of the useful life (production capacity of equipment) and the period of amortization is exposed largely to the management judgment.

Our measures

Our audit procedures in this sphere included the following:

- achievement of understanding of the control procedures of the process of determination of the useful life of the property, plant and equipment and accrual of amortization;
- analysis of the accounting policy applicable to the property, plant and equipment;
- analysis of the useful life of the property, plant and equipment, inspection of accuracy of accrual of amortization and polling of the technical specialists for positions chosen;
- evaluation of the Group's management judgments in relation to absence of the impairment indicators of the price of the property, plant and equipment as at the reporting date;
- completeness check of the information disclosure related to the property, plant and equipment.

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

The Group's management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as well as for implementing and maintaining an internal control system that management determines is necessary to enable the preparation of the 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 preparing the consolidated financial statements on a going concern basis unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the process of preparation of the consolidated financial statements of the Group.

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

Our objective 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 auditors' 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.

Other information included in the Group's annual report for 2024

Other information includes information contained in the Group's annual report for 2024 but does not include the consolidated financial statements and our audit report. The Group's management is resistible for other information. The Group's annual report for 2024 will be provided to you after issuance of this audit report.

Our opinion on the consolidated financial statements does not cover other information and we will not provide an opinion expressing any form of assurance on that information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the aforementioned information once it is made available to us and to consider whether there is any material inconsistency between the other information and the consolidated financial statements or our knowledge obtained during the audit, or whether the other information appears to be materially misstated.

As part of an audit in accordance with ISA, 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 auditors' 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 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.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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.

The engagement partner on the audit resulting in this independent auditor's report is:

D.Sh. Kaliyeva
Auditor Qualification Certificate No.МФ-001394,
issued by the Qualification Commission
for certification of the auditors of the RK dated 12 February 2021

BDO Qazaqstan LLP

State license No.25007259 issued on 05 March 2025 by the Internal State Audit Committee of the Ministry of Finance of the Republic of Kazakhstan. Initial State License No.21012748 issued on 19 March 2021.

K.M. Rakhimbayev
Director of BDO Qazaqstan LLP

2 June 2025
Almaty, Republic of Kazakhstan

UST-KAMENOGORSK TITANIUM AND MAGNESIUM PLANT JSC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31DECEMBER 2024

(in KZT thousand)

	Note	2024	2023
Income from sales	5	94,314,098	81,790,472
Cost of sales	6	(74,313,621)	(59,745,789)
Gross income		**20,000,477**	**22,044,683**
Selling expenses	7	(3,578,576)	(4,088,172)
General and administrative expenses	8	(9,799,446)	(7,660,610)
Other operating income	9	6,731,910	2,845,880
Other operating expenses	9	(4,906,765)	(3,592,140)
Operating profit		**8,447,600**	**9,549,641**
Finance expense	10	(3,877,764)	(3,606,496)
Finance income	10	186,435	9,000
Share of results of associates		135,384	203,646
Profit before tax		**4,891,655**	**6,155,791**
Income tax expense	11	(3,546,346)	(2,084,924)
Net profit for the year		**1,345,309**	**4,070,867**
Other comprehensive income (loss) for the year after tax			
Items that may be reclassified in the statement of profit or loss			
Currency translation difference		6,734,254	(1,057,403)
Items that may not be reclassified in the statement of profit or loss			
Actuarial (loss) gain for employees payments less income tax	24	2,407	(2,233)
Other comprehensive loss for the year		**6,736,661**	**(1,059,636)**
Total comprehensive income for the year		8,081,970	3,011,231
Basic and diluted earnings per share, tenge	21	**656**	**1,986**

On behalf of the Group's management:

A.T. Mamutova
President
UKTMP JSC

S.B. Serikpayev
Financial director

Sh.Zh. Bukeyeva
Acting chief accountant

2 June 2025
Ust-Kamenogorsk, Republic of Kazakhstan

Notes on the pages from 11 to 44 are an integral part of these consolidated financial statements.

UST-KAMENOGORSK TITANIUM AND MAGNESIUM PLANT JSC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2024
(in KZT thousand)

	Note	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Property, plant and equipment	12	103,741,998	88,832,870
Right-of-use asset	13	98,135	89,224
Intangible assets	14	3,565,896	2,759,624
Investments in associated company	15	2,123,014	1,725,747
Deferred tax asset	11	53,573	46,514
Other non-current assets	16	1,142,709	395,073
Total non-current assets		**110,725,325**	**93,849,052**
Current assets			
Inventories	17	88,628,984	72,379,735
Value added tax and other taxes receivable	18	10,015,231	13,366,108
Income tax prepayment		125,503	32,128
Trade and other receivable	19	37,047,762	14,646,850
Cash and cash equivalent	20	6,592,544	4,382,954
Total current assets		**142,410,024**	**104,807,775**
TOTAL ASSETS		**253,135,349**	**198,656,827**
EQUITY AND LIABILITIES			
Equity and provisions			
Share capital	21	159,988	159,988
Additional paid-in capital		1,282,401	1,282,401
Currency translation provision		18,542,763	11,808,509
Other provisions		(26,394)	(28,801)
Retained earnings		38,144,347	36,890,760
Total equity and provisions		**58,103,105**	**50,112,857**
Non-current liabilities			
Loans	22	14,977,075	11,380,683
Provisions	23	1,737,936	2,608,454
Deferred tax liability	11	6,144,319	5,015,739
Lease liabilities	13	44,727	-
Non-current liabilities for employees payments	24	146,170	127,595
Non-current accounts payable	26	672	1,739
Total non-current liabilities		**23,050,899**	**19,134,210**
Current liabilities			
Loans	22	40,515,250	31,589,182
Dividends payable		92,523	552,138
Lease liabilities	13	70,985	72,289
Provisions	23	41,615	126,909
Current liabilities for employees payments	24	46,598	28,798
Income tax payable		84,696	42,794
Other taxes payable	25	559,405	843,904
Trade and other payables	26	108,848,078	91,806,658
Advances received	27	21,722,195	4,347,088
Total current liabilities		**171,981,345**	**129,409,760**
TOTAL LIABILITIES		**195,032,244**	**148,543,970**
TOTAL EQUITY AND LIABILITIES		**253,135,349**	**198,656,827**

On behalf of the Group's management:

A.T. Mamutova
President
UKTMP JSC

S.B. Serikpayev
Financial director

Sh.Zh. Bukeyeva
Acting chief accountant

2 June 2025
Ust-Kamenogorsk, Republic of Kazakhstan

Notes on the pages from 11 to 44 are an integral part of these consolidated financial statements.

UST-KAMENOGORSK TITANIUM AND MAGNESIUM PLANT JSC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024
(in KZT thousand)

	Note	2024	2023
Operating activities:			
Cash proceeds from customers		95,254,920	78,075,275
Advances received		3,738,459	1,212,604
Other proceeds		608,997	1,158,054
Vat refund from the budget		9,925,178	4,019,405
Payments to suppliers		(44,430,908)	(37,440,389)
Advances issued		(21,646,383)	(13,018,826)
Payments to employees		(10,594,474)	(9,328,230)
Settlements with budget		(11,211,932)	(11,932,501)
Income tax paid		(2,631,391)	(2,114,264)
Interests paid		(1,158,447)	(827,262)
Other payments		(1,831,732)	(724,195)
Net amount of cash received from operating activities		**16,022,287**	**9,079,671**
Investment activities:			
Proceeds from sale of property, plant and equipment		26,771	40,757
Acquisition of property, plant and equipment and intangible assets		(16,155,168)	(17,103,086)
Increase in restricted cash		28,234	8,523
Other payments		1,439	-
Net cash used in investment activities		**(16,098,724)**	**(17,053,806)**
Financial activities:			
Loans proceeds	22	96,075,978	87,247,678
Loans repayments	22	(93,253,419)	(79,282,013)
Lease payments	13	(40,864)	(111,804)
Dividends paid to owners	21	(549,365)	(72,553)
Net amount of cash obtained from financial activities		**2,232,330**	**7,781,308**
Cash as of the beginning of the year		**4,382,954**	**4,640,992**
Net increase /(decrease) of cash		2,155,893	(192,827)
Effect of change of foreign exchange rate to cash		53,697	(65,211)
Cash as of the year-end	20	**6,592,544**	**4,382,954**

On behalf of the Group's management:

A.T. Mamutova
President
UKTMP JSC

S.B. Serikpayev
Financial director

Sh.Zh. Bukeyeva
Acting chief accountant

2 June 2025
Ust-Kamenogorsk, Republic of Kazakhstan

Notes on the pages from 11 to 44 are an integral part of these consolidated financial statements.

UST-KAMENOGORSK TITANIUM AND MAGNESIUM PLANT JSC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 31 DECEMBER 2024
(in KZT thousand)

	Note	Issued capital	Additional paid-in capital	Currency translation provision	Other provisions	Retained earnings	Total
Balance as of 1 January 2023		**159,988**	**1,282,401**	**12,865,912**	**(26,568)**	**32,911,617**	**47,193,350**
Net income for year		-	-	-	-	4,070,867	4,070,867
Other comprehensive income		-	-	(1,057,403)	(2,233)	-	(1,059,636)
Declared dividends	21	-	-	-	-	(91,724)	(91,724)
Balance as of 31 December 2023		**159,988**	**1,282,401**	**11,808,509**	**(28,801)**	**36,890,760**	**50,112,857**
Net income for year		-	-	-	-	1,345,309	1,345,309
Other comprehensive income		-	-	6,734,254	2,407	-	6,736,661
Declared dividends	21	-	-	-	-	(91,722)	(91,722)
Balance as of 31 December 2024		**159,988**	**1,282,401**	**18,542,763**	**(26,394)**	**38,144,347**	**58,103,105**

On behalf of the Group's management:

A.T. Mamutova
President
UKTMP JSC

S.B. Serikpayev
Financial director

Sh.Zh. Bukeyeva
Acting chief accountant

2 June 2025
Ust-Kamenogorsk, Republic of Kazakhstan

Notes on the pages from 11 to 44 are an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

Company and its operation

Ust-Kamenogorsk Titanium and Magnesium Plant JSC (hereinafter – the Company) is a joint-stock company registered in the Republic of Kazakhstan.

The Company's basic office is registered and located at the address: 1/1 Bagdat Shayakhmetov Street, Ust-Kamenogorsk, 070017, Kazakhstan.

These consolidated financial statements include the company and its subsidiaries (hereinafter – the Group). The list of the Company's subsidiaries is represented in the Note 31. The ultimate consolidated party of the Group is Johan Dumont, a managing director of SPECIALTY METALS HOLDING COMPANY.

Main types of activities of the Group are:

- production of high-grade titanium sponge, titanium ingots and magnesium of Mg-90 grade for use in aviation and other industries;
- mining of ilmenite.

As at 31 December 2024 the Group had 2,209 persons (2023: 2,211 persons).

Conditions of doing business in Kazakhstan

The Group's production activity is focused mainly in Kazakhstan. Consequently, the Group is exposed to country risk being economic, political and social risks inherent to doing business in Kazakhstan. These risks include the matters resulting from the policy of the government, economic conditions, introduction or changes in tax and legal spheres, exchange rate changes and ensuring fulfillment of the contractual rights.

These consolidated financial statements reflect the evaluation of the management of effect of the economic conditions in Kazakhstan on the activity and financial position of the Group. Future economic conditions may be different from the management's estimations.

2. SIGNIFICUNT ACCOUNTING POLICIES

Statement of compliance with IFRS

These consolidated financial statements have been prepared under International Financial Reporting Standards (IFRS), issued by the Board of International Accounting Standards (IFRS Board) and interpretations issued by the Committee of Explanations of International Financial Reporting Standards (IFRSCE).

Basis of changes

These consolidated financial statements were prepared in accordance with the accounting principle based on the historical cost.

Basis of consolidation

The consolidated financial statements indicate the Group's financial position as of 31 December 2024 and the Group's financial indicators for the year ended 31 December 2024. Subsidiaries are the companies that the Group controls. Control is made if the Group has the power directly or indirectly to manage relevant activities of the company that significantly affect their returns obtained by the Group from participation in management by this company.
The financial statements of the subsidiaries of the companies are consolidated starting from the date of transfer of control to the Group and shall be ceased to be consolidated starting from the date of actual loss of control. When the Group stop controlling the company the rest part of ownership in this company is restated to its fair value with adjustment of the carrying amount related to profit and loss. The fair value shall be taken for the initial carrying amount for further accounting of held interest as associate, joint venture or financial asset. Moreover, any amounts previously recognized in other comprehensive income in relation to such company as if the Group sold directly the relevant assets or liabilities. Such reflection means that the amounts previously recognized in other comprehensive income shall be related to profit or loss.

The financial statements of the subsidiaries are prepared for the same reporting year as the financial statements of the company in accordance with the subsequent accounting policy. All inter group invoices and transactions, including unrealized incomes from inter group transactions are fully eliminated. Unrealized losses are eliminated as unrealized incomes except that they are eliminated only to the extent for which there are no indicators of impairment.

Functional currency and representation currency

Functional currency of every consolidated company of the Group is US dollar except for the subsidiary Satpayev Ore-Dressing Plant LLP that carries out its main activity in national currency of the Republic of Kazakhstan – Kazakhstan tenge (hereinafter – tenge).
Currency of representation of the Group's financial statements is national currency of the Republic of Kazakhstan, Kazakhstan tenge (tenge).

3. NEW AND REVISED STANDARDS AND INTERPRITATIONS

New and revised IFRS issued and enacted since 01 January 2024.

The Group has applied a range of new standards and amendments to the standards that became effective for the annual periods starting not earlier than 1 January 2024. They had no significant effect on the consolidated financial statements of the Group:

For annual reporting periods starting from 1 January 2024 and after this date the following become effective:

Amendments to IAS 1 Representation of the financial statements

Classification of the liabilities as current and non-current:

- **Compliance with the covenants after the reporting date:**
  - If the Company is obliged to comply with the covenants after the reporting date it does not effect on classification of the liability to the reporting date itself.
  - For example: if the credit contract requires to comply with the financial coefficient in future, the liability is classified based on the conditions as of the reporting date without taking note of the future requirements.
- **Classification of the liabilities:**
  - The liability is considered as non-current if as of the reporting date the company has the right to prolong its repayment minimum for 12 months.
  - In case of absence of unconditional right to delay the liability is classified as current.
- **Disclosure of information about the covenants:**
  - The company should not disclose the information about the covenants subject to be complied after the reporting date including possible risks failure comply and their potential effect.

This amendment is not applicable to the Group's operation.

Amendments to IFRS 16 Lease

Accounting of the sale and leaseback transactions:

- **Accounting of the variable lease payments:**
  - Seller-lessee must take note of the lease liability including all variable payments in settlement of the liabilities.
- **Recognition of the difference between the fair value of the asset and liability for lease:**
  - After sale the seller-lessee cannot recognize immediately all revenue from sale if the variable payments exist. The recognized profit or loss is calculated as the difference between the fair value of the asset and liability for lease.
- **Disclose of the information:**
  - The companies should disclose the information in detail about the leaseback transactions including variable payments and their effect for the financial indicators.

This amendment is not applicable to the Group's operation.

Amendments to IAS 7 Statement of cash flows and IFRS 7 Financial instruments: disclosure of the information

Disclosure of the supplier financing arrangements:

- **Disclosure of the supplier financing arrangements:**
  - Description of the conditions of such arrangements including their effect on cash flows and the company's liabilities.
  - Justification of application of reverse factoring and its effect on the structure of payments with the suppliers.
- **Carrying amount of the liabilities:**
  - The companies should disclose the amounts of the liabilities that participate in such arrangements with separate provision of the liabilities related to reverse factoring.
- **Disclosure of the information about payment periods:**
  - Comparison of the average periods of payment of the liability participating in reverse factoring with common periods of payments of the accounts payable.
  - Evaluation of the changes in the periods of payments with the suppliers because of the usage of such schemes.
- **Liquidity risk analysis:**
  - The companies should inform about possible liquidity risks related to financing the suppliers including consequences of the potential termination of the financing.

This amendment is not applicable to the Group's operation.

Amendments to IAS 12 Income taxes

International tax reform — model rule of the second level:

- **Introduction of the exception:**
  - The company is exempt from recognition and disclosure of the information about temporary differences related to the taxes of the second level that makes the complexity of accounting of such taxes easy.
- **Disclosure of the information:**
  - The companies should disclosure the fact of application of the exception and effect of the taxes of the second level on current tax expenses.

This amendment is not applicable to the Group's operation.

Application of the accounting estimates and assumptions

When preparing these financial statements under IFRS the Group's management applies the professional judgments, assumptions and accounting estimates in relation to reflection of the assets and liabilities, and disclosure of information about contingent assets and liabilities. Judgments are based on awareness of the management about certain facts and circumstances related to previous experience. Actual results may be different from such estimates.

Assumptions and accounting estimates made based on them are analyzed on a constant basis for the subject of appropriateness of their changes. The changes in the accounting estimates are recognized in the reporting period when such estimates where revised and in all further periods affected by the indicated changes.

The following notes include, in particular, the information about the main areas that require estimation of uncertainty and about more important judgments formed in the process of application of the provisions of the accounting policy that had more important effect on the amounts reflected in the consolidated financial statements. However, the management does not except significant change of the price of the assets and liabilities to which such facts effect during further 12 months within reasonable range unless otherwise indicated.

Note 11 - Income tax

The management carried out the estimation of the completeness of the tax liabilities that may be inspected by the tax authorities and selling time of the temporary differences;

Note 12 - property, plant and equipment.
The estimation was made when determining the periods of useful life of the assets;

Note 13 - Lease.
The management carried out estimation in relation to expected lease period with taking note of the right of extension and the rate of attraction of additional loan funds;

Note 14 - Intangible assets.
The estimation was performed when determining of useful life of the assets;

Note 17 - Inventories.
The estimation was performed for allowance for obsolete and slow-moving inventories;

Note 19 - Trade and other receivables. The management carried out estimation in relation to expected credit losses;

Note 23 - Provisions.
The estimation was performed for fair value of the provisions based on expected future cash inflows and risk-free discounted rate;

Note 24 - The liabilities for benefits of the employees.
The estimation was performed for fair value of the liabilities for a retirement benefit plan with specified payments;

Note 28 - Goals and policy of management by the financial risks.
The analysis of fair value is based on estimation of future cash flows and discount rates;

Note 29 - Contingent and potential liabilities.
Such disclosure requires from the management the estimation of the liabilities and determination of the probability of cash outflow in future.

(in KZT thousand)

4. SEGMENT REPORTING

Operating segments are distinct components that engage in business activities from which they may earn revenues and incur expenses. The operating results of these segments are regularly reviewed by the Group's Chief Operating Decision Maker (CODM) to make decisions about resource allocation and assess their performance. The CODM is the individual or group responsible for these functions. In the case of the Group, the President of the Company performs the functions of the CODM.

Description of the operating segments

The Group operates within the following main business segments:

- titanium Sponge segment;
- titanium Alloys and Ingots segment;
- other segments: other types of activity, which are in total insignificant for the Group.

Factors that the management uses to identify the reporting segments

The Group's segments are strategic business units that manufacture different products with different added value and focus on different customers. They are managed separately because each business unit requires its own sales market and technologies.

Measurement of the operating segments

The President of the Company evaluates performance of each segment based on gross profit based on the IFRS financial statements.

Mutual settlements between segments are included to the evaluation of each segment's performance. Information on sales revenue to third parties, provided to the Chief Operating Decision Maker, is prepared based on the same accounting principles that were used in the preparation of the consolidated statement of profit or loss and other comprehensive income.

The Group does not present information on segment's assets and liabilities as such information is not provided on regular basis to the Chief Operating Decision Maker.

Segment information for the reportable segments for the year ended 31 December 2024 is presented below:

	Titanium sponge	Titanium alloys and ingots	Other	Excluded mutual settlements between segments	Total
Sales income	38,663,535	54,556,125	1,094,438	-	94,314,098
Intersegment revenue	1,178,794	-	-	(1,178,794)	-
Segment revenue	**39,842,329**	**54,556,125**	**1,094,438**	**(1,178,794)**	**94,314,098**
Cost of sales	(46,179,104)	(27,382,899)	(751,618)	-	(74,313,621)
Gross profit	**(6,336,775)**	**27,173,226**	**342,820**	**(1,178,794)**	**20,000,477**
Selling expenses					(3,578,576)
General and administrative expenses					(9,799,446)
Other operating income					6,731,910
Other operating expenses					(4,906,765)
Finance cost, net					(3,691,329)
Share of results of joint venture and associate					135,384
Profit before tax					**4,891,655**
Income tax expenses					(3,546,346)
Net profit for year					**1,345,309**
Depreciation of property, plant and equipment and amortization of intangible assets	(5,090,028)	(7,182,276)	(144,082)	-	(12,416,386)

(in KZT thousand)

Segment information for the reportable segments for the year ended 31 December 2023 is presented below:

	Titanium sponge	Titanium alloys and ingots	Other	Excluded mutual settlements between segments	Total
Sales income	34,043,592	47,349,074	397,806	-	81,790,472
Intersegment revenue	13,509,104	-	-	(13,509,104)	-
Segment revenue	**47,552,696**	**47,349,074**	**397,806**	**(13,509,104)**	**81,790,472**
Cost of sales	(29,924,521)	(29,611,514)	(209,754)	-	(59,745,789)
Gross profit	**17,628,175**	**17,737,560**	**188,052**	**(13,509,104)**	**22,044,683**
Selling expenses					(4,088,172)
General and administrative expenses					(7,660,610)
Other operating income					2,845,880
Other operating expenses					(3,592,140)
Finance cost, net					(3,597,496)
Share of results of joint venture and associate					203,646
Profit before tax					**6,155,791**
Income tax expenses					(2,084,924)
Net profit for year					**4,070,867**
Depreciation of property, plant and equipment and amortization of intangible assets	(4,156,719)	(5,781,318)	(48,572)	-	(9,986,609)

Geographic information

Revenues from sales to the customers for main geographical markets are presented below.

Geographical location of the customers is defined as per the country of their registration.

	2024	2023
France	38,878,618	34,552,856
USA	30,989,842	30,148,743
Kazakhstan	7,958,225	6,185,541
Korea	7,212,827	3,038,985
India	2,731,859	1,669,281
Begium	2,023,232	-
Italy	1,895,991	2,463,979
UK	1,074,889	1,899,360
Russia	322,684	308,308
China	28,280	-
Other	1,197,651	1,523,419
Total	**94,314,098**	**81,790,472**

5. SALES INCOME

	2024	2023
Ttitanium ingots	54,556,125	47,349,074
Titanium sponge	38,663,535	34,043,592
Ligature	805,007	260,309
Magnesium Mg-90	109,272	-
Vanadium	180,159	137,497
Total	**94,314,098**	**81,790,472**

(in KZT thousand)

6. COST OF SALES

	2024	2023
Raw material	26,720,670	24,626,378
Electricity	19,845,078	12,742,727
Chemicals, fuel and other materials	14,995,535	15,848,307
Depreciation and amortization	10,172,832	8,829,980
Salary and taxes from payroll budget	10,160,426	9,134,315
Repair and maintenance	1,503,064	871,475
Ingot production services	438,888	782,820
Other expenses	827,560	1,576,058
Production expenses	**84,664,053**	**74,412,060**
Changes in finished products and construction in progress	(10,350,432)	(14,666,271)
Total	**74,313,621**	**59,745,789**

7. SELLING EXPENSES

	2024	2023
Transportation expenses	2,583,129	3,440,009
Packing costs	254,439	150,160
Customs export fees	48,539	57,484
Other expenses	692,469	440,519
Total	**3,578,576**	**4,088,172**

8. GENERAL AND ADMINISTRATIVE EXPENSES

	2024	2023
Salary and taxes from payroll fund	3,831,337	3,101,667
Depreciation and amortization	1,503,199	1,156,629
Services of third parties	1,463,840	1,118,991
Financial assistance and social support	671,645	199,142
Expenses for taxes other on income tax	370,131	204,094
Inventories	290,234	194,170
Material assistance	208,513	86,831
Business trip expenses	160,158	119,479
Medical services	129,883	58,754
Advisory and audit services	110,087	261,339
Bank services	99,669	84,890
Compulsory insurance services	94,535	104,652
Electricity	82,011	88,462
Repair and maintenance	30,374	28,171
Penalties, fines, forfeits for violation of the contract conditions	29,878	256,037
Communication services	18,843	21,080
Maintenance costs for social sphere	18,656	23,652
Environmental protection expenses	-	276
Other expenses	686,453	552,294
Total	**9,799,446**	**7,660,610**

9. OTHER OPERATING IINCOME AND EXPENSES

	2024	2023
Operating income		
Income of sale of materials and provision of services	1,916,281	1,055,250
Lease	1,254,264	816,007
Foreign exchange gain	-	369,370
Income from disposal of property, plant and equipment	26,771	40,757
Other income	3,534,594	564,496
Total	**6,731,910**	**2,845,880**

	2024	2023
Operating expenses		
Loss on disposal of property, plant and equipment	(18,375)	(1,762,751)
Cost of sale of materials and provision of services	(1,395,639)	(750,488)
Lease	(453,879)	(239,678)
Foreign exchange loss	(1,527,808)	-
Other expenses	(1,511,064)	(839,223)
Total	**(4,906,765)**	**(3,592,140)**

(in KZT thousand)

10. FINANCIAL INCOME AND EXPENSES

	2024	2023
Interest income	186,435	9,000
Total finance income	**186,435**	**9,000**
Interest expenses:		
- credit line of Societe Generale	(2,440,948)	(2,319,970)
- Development Bank of Kazakhstan	(687,112)	(822,774)
- credit line of China Construction Bank	(508,218)	(157,801)
- credit line of Banque Cantonale Vaudoise	(25,785)	(14,125)
Amortization of discount of present value:		
- reclamation provision	(193,439)	(158,134)
- employee benefit liabilities	(10,717)	(13,666)
- lease liabilities	(11,545)	(7,857)
- long-term accounts payable	-	(112,169)
Total finance expenses	**(3,877,764)**	**(3,606,496)**

11. INCOME TAX

	2024	2023
Income tax expenses		
Corporate income tax - current period	3,235,748	2,288,789
Corporate income tax - previous periods	-	12,881
Occurrence and recovery of temporary differences	310,598	(216,746)
Total	**3,546,346**	**2,084,924**

Calcualtion of the effective rate for income tax for the year ended 31 December 2024 and 2023:

	2024	2023
Profit before tax	4,891,655	6,155,791
Income tax rate	20%	20%
Income tax calculated at applicable rate	(978,331)	(1,231,158)
Adjustment of income tax of previous periods	-	(12,881)
Share of non-taxable income of associate	(27,077)	47,815
Non-deductible expenses (non-taxable income)	(2,540,938)	(888,700)
Income tax expenses	**(3,546,346)**	**(2,084,924)**
Effective rate of income tax	72,5%	33,9%

Change of the temporary difference value during 2024 and 2023 may be as follows:

	2024	2023
Property, plant and equipment	(6,781,827)	(6,523,189)
Subsurface right	(17,339)	(106,827)
Lease assets and liabilities	23,142	(3,387)
Provision for inventories	120,637	833,377
Accounts receivable	56,275	44,146
Interest payable	59,781	29,544
Provision for reclamation	174,402	547,073
Liability for benefits of employees	38,554	31,279
Tax payable	55,008	45,326
Provisions for vacations	180,621	133,433
Total	**(6,090,746)**	**(4,969,225)**
Deferred tax asset	**53,573**	**46,514**
Deferred tax liability	**(6,144,319)**	**(5,015,739)**

Movement of deferred tax liability in the financial statements:

	2024	2023
As of 1 January	**(4,969,225)**	**(5,283,505)**
Allocated to (expenses) income	310,598	216,746
Effect of translation to reporting currency	(1,432,119)	97,534
As of 31 December	**(6,090,746)**	**(4,969,225)**

(in KZT thousand)

12. PROPERTY, PLANT AND EQUIPMENT

	Land in ownership	Buildings and construction	Vehicles and equipment	Vehicles	Construction in progress	Total
Carrying amount						
Cost as of 1 January 2023	**1,260,519**	**35,002,725**	**92,174,418**	**7,613,219**	**22,329,056**	**158,379,937**
Proceeds	34,370	762,511	7,367,431	41,383	9,579,974	17,785,669
Movements	-	8,875,653	8,177,233	5,145	(17,058,031)	-
Disposals	-	(18,064)	(5,905,867)	(134,790)	(29,873)	(6,088,594)
Effect of translation in reporting currency at price of PPE	(21,935)	106,312	(2,279,596)	(146,643)	(1,283,614)	(3,625,476)
As of 31 December 2023	**1,272,954**	**44,729,137**	**99,533,619**	**7,378,314**	**13,537,512**	**166,451,536**
Proceeds	-	-	6,578,617	38,640	9,413,447	16,030,704
Changes in estimates referred to PPE (Note 23)	-	(873,898)	-	-	-	(873,898)
Movements	23,001	2,898,827	5,622,704	17,890	(8,562,422)	-
Disposals	-	-	(5,750,775)	(114,842)	(844,307)	(6,709,924)
Effect of translation in reporting currency at price of PPE	191,729	6,277,918	14,311,332	981,560	1,161,772	22,924,311
Cost as of 31 December 2024	**1,487,684**	**53,031,984**	**120,295,497**	**8,301,562**	**14,706,002**	**197,822,729**
Accumulated depreciation						
As of 1 January 2023	-	**(10,135,755)**	**(60,825,213)**	**(3,848,503)**	**(60,929)**	**(74,870,400)**
Depreciation	-	(1,496,567)	(7,419,648)	(619,718)	-	(9,535,933)
Depreciation for disposed PPE	-	2,275	4,231,147	63,690	29,873	4,326,985
Effect of translation in reporting currency from accrued depreciation of PPE	-	155,757	2,208,612	89,497	-	2,453,866
Effect of translation in reporting currency from provision of construction in progress	-	-	-	-	6,816	6,816
As of 31 December 2023	-	**(11,474,290)**	**(61,805,102)**	**(4,315,034)**	**(24,240)**	**(77,618,666)**
Depreciation	-	(2,064,302)	(9,381,882)	(613,454)	-	(12,059,638)
Depreciation for disposed PPE	-	-	5,737,925	110,533	-	5,848,458
Effect of translation in reporting currency from accrued PPE	-	(1,553,356)	(8,070,438)	(623,413)	-	(10,247,207)
Effect of translation in reporting currency from provision of construction in progress	-	-	-	-	(3,678)	(3,678)
As of 31 December 2024	-	**(15,091,948)**	**(73,519,497)**	**(5,441,368)**	**(27,918)**	**(94,080,731)**
Net carrying amount						
As of 31 December 2024	**1,487,684**	**37,940,036**	**46,776,000**	**2,860,194**	**14,678,084**	**103,741,998**
As of 31 December 2023	**1,272,954**	**33,254,847**	**37,728,517**	**3,063,280**	**13,513,272**	**88,832,870**

Construction in progress as at 31 December 2024 includes works on reconstruction and repair of buildings, construction and equipment. Upon completion of the works such assets are transferred to the categories "buildings and constructions" and "machinery and equipment".

As at 31 December 2024 a workshop No.14 and equipment related to it for manufacturing of titanium ingots and alloys, with carrying amount of 9,536,235 thousand tenge (2023: 8,641,441 thousand tenge) were provided in pledge as collateral to ensure the loans received by the Group from Development Bank of Kazakhstan JSC (please, see Note 22). An increase in carrying amount of pledged property as at 31 December 2024 is related to modernization of the workshop and equipment.

As at 31 December 2024 the price of fully amortized assets is 36,148,400 thousand tenge (31 December 2023: 27,911,803 thousand tenge).

(in KZT thousand)

13. LEASE

The Group rents office premises. The lease contracts are signed in general for certain periods for 12 months or less, but they have the right for prolongation. The lease contracts have no special conditions (covenants) except for protection measures in relation to rented assets held by a lease holder. The rented assets cannot be provided for sub rent or to be used as the collateral.

Right-of-use asset	2024	2023
As of 1 January	**452,488**	**466,321**
Proceeds	77,605	-
Disposal	-	(5,780)
Effect of translation to reporting currency	68,666	(8,053)
As of 31 December	**598,759**	**452,488**
Amortization		
As of 1 January	**(363,264)**	**(243,101)**
Proceeds	(74,701)	-
Accrual of amortization	-	(126,978)
Disposal	-	4,503
Effect of translation to reporting currency	(62,659)	2,312
As of 31 December	**(500,624)**	**(363,264)**
Carrying amount	**98,135**	**89,224**

Lease liabilities	2024	2023
As of 1 January	**(72,289)**	**(181,140)**
Disposal	(77,605)	**3,711**
Discount amortization	(5,780)	**(7,857)**
Payments	40,864	**111,804**
Effect of translation to reporting currency	(902)	**1,193**
As of 31 December	**(115,712)**	**(72,289)**
Long-term share	(44,727)	-
Current share	(70,985)	(72,289)

14. INTENGIBLE ASSETS

	Surface use right	Software	Total
Carrying amount			
As of 1 January 2023	**891,672**	**3,331,168**	**4,222,840**
Proceeds	-	66,736	66,736
Disposal	-	(183,112)	(183,112)
Changes in estimates (Note 23)	(49,329)	-	(49,329)
Effect of translation to reporting currency		(87,659)	(87,659)
As of 31 December 2023	**842,343**	**3,127,133**	**3,969,476**
Proceeds	-	998,362	998,362
Changes in estimates (Note 23)	(213,933)	-	(213,933)
Effect of translation to reporting currency	-	538,414	538,414
As of 31 December 2024	**628,410**	**4,663,909**	**5,292,319**
Accumulated amortization			
As of 31 December 2022	**(282,822)**	**(836,026)**	**(1,118,848)**
Amortization	(25,386)	(298,312)	(323,698)
Amortization for disposals	-	181,970	181,970
Effect of translation to reporting currency	(2)	50,726	50,724
As of 31 December 2023	**(308,210)**	**(901,642)**	**(1,209,852)**
Amortization	(14,445)	(342,303)	(356,748)
Effect of translation to reporting currency	-	(159,823)	(159,823)
A of 31 December 2024	**(322,655)**	**(1,403,768)**	**(1,726,423)**
Net carrying amount			
As of 31 December 2024	**305,755**	**3,260,141**	**3,565,896**
As of 31 December 2023	**534,133**	**2,225,491**	**2,759,624**

(in KZT thousand)

15. INVESTMENTS IN ASSOCIATE

The group has sufficient effect on Posuk Titanium LLP because of share of ownership in the equity and presence of one of three representatives in the Supervisory Board of this company.

	2024		2023	
	Ownership interest	Carrying amount	Ownership interest	Carrying amount
Posuk Titanium LLP	38.31%	2,123,014	38.31%	1,725,747
		2,123,014		1,725,747

The table below provides the changes of carrying amount of the Group's investments in associate:

	2024	2023
As of 1 January	**1,725,747**	**1,557,773**
Share of the profit of associate	135,384	239,077
Effect of translation to reporting currency	261,883	(71,103)
As of 31 December 2023	**2,123,014**	**1,725,747**

Information of financial position	2024	2023
ASSETS		
Non-current assets	19,769,394	17,711,021
Current assets	7,747,868	4,701,060
LIABILITIES		
Non-current liabilities	(9,543,611)	(2,129,614)
Current liabilities	(12,431,981)	(15,777,778)
EQUITY	**5,541,670**	**4,504,689**
Ownership interest	38,31%	38,31%
Carrying amount of investments	**2,123,014**	**1,725,747**

Information about profit or loss

	2024	2023
Revenue	9,846,973	9,344,772
Profit form going concern	977,803	361,398
For information		
Administrative expenses	(260,412)	(649,785)
Finance expenses	(355,189)	(988,824)
Other incomes, net	21,401	(158,796)
Expenses/income tax recovery	(262,210)	31,029

(in KZT thousand)

16. OTHER NON-CURRENT ASSETS

	31 December 2024	31 December 2023
Deposits restricted in use	114,966	86,732
Financial instruments in other non-current assets	**114,966**	**86,732**
Advances issued for non-current assets	1,027,743	308,341
Total	**1,142,709**	**395,073**

Deposits limited in use are intended to accumulate funds for reclamation of lands located under waste disposal sites and slurry collectors.

Prepayments for the property, plant and equipment are mainly related to acquisition of the equipment with aim to modernization of available property, plant and equipment.

17. INVENTORIES

	31 December 2024	31 December 2023
Construction in progress	38,533,591	36,004,214
Raw materials and materials	29,685,580	24,890,714
Finished products	20,908,879	13,087,824
	89,128,050	**73,982,752**
Allowance for obsolete and slow-moving inventories	(499,066)	(1,603,017)
Total	**88,628,984**	**72,379,735**

Change of the allowance for obsolete and slow-moving inventories is represented as follows:

	2024	2023
As of 1 January	1,603,017	1,854,258
Recovered	(1,347,210)	(218,818)
Effect of translation to reporting currency	243,259	(32,423)
31 December	**499,066**	**1,603,017**

18. VAT AND OTHER TAXES PAYABLE

	31 December 2024	31 December 2023
VAT repayable	9,609,505	12,609,068
CIT from source of payment payable	224,236	556,364
Other taxes payable	181,490	200,676
Total	**10,015,231**	**13,366,108**

19. TRADE AND OTHER RECEIVABLES

	31 December 2024	31 December 2023
Trade receivables	30,136,671	12,723,370
Provision for expected credit losses	(227,774)	(220,751)
Financial instruments in accounts receivable	**29,908,897**	**12,502,619**
Advances to suppliers	7,062,414	2,157,579
Customs fee recoverable	28,138	12,681
Other accounts receivable	194,314	67,878
Allowance for impairment of advances issued	(146,001)	(93,907)
Total	37,047,762	14,646,850

(in KZT thousand)

Change of the provision for expected credit losses is represented as follows:

	2024	2023
As of 1 January	220,751	218,701
(Recovered)/accrued	(26,459)	5,874
Writing off from previously created provision	(14)	-
Effect of translation to reporting currency	33,496	(3,824)
As of 31 December	**227,774**	**220,751**

Change of the provision for doubtful advances issued is represented as follows:

	2024	2023
As of 1 January	93,907	189,928
Accrued/(recovered)	71,234	(41,797)
Writing off from previously created provision	(2,428)	(9,931)
Effect of translation to reporting currency	(16,712)	(44,293)
As of 31 December	**146,001**	**93,907**

20. CASH

	31 December 2024	31 December 2023
Cash on current bank accounts	6,571,036	4,377,275
Cash on hand	21,508	5,679
Total	**6,592,544**	**4,382,954**

21. EQUITY

Shareholder equity

As at 31 December 2024 and 2023 total number of allowed for issuance and issued ordinary shares amounted to 1,942,380 shares. All issued ordinary shares are fully paid. Every ordinary share gives the right to vote once.

As of 31 December 2024 and 31 December 2023 total number of allowed for issuance ad issued preferred shares amounted to 107,910 shares. All issued preferred shares are fully paid.

	Quantity of shares	2024 Price, thousand tenge	Quantity of shares	2023 Price, thousand tenge
Ordinary shares (nominal value - 140 tenge for share)	971,190	135,967	971,190	135,967
Ordinary shares (nominal value - 20 tenge for share)	971,190	19,424	971,190	19,424
Preferred shares (nominal value - 20 tenge for share)	107,910	2,158	107,910	2,158
Tota shareholder equity at nominal value	**2,050,290**	**157,549**	**2,050,290**	**157,549**
Adjustment for hyperinflation		2,439		2,439
Total shareholder equity		**159,988**		**159,988**

Preferred shares provide priority rights over ordinary shares in case of liquidation of the company. The preferred shares provide the right to their holders at the general meetings of the shareholders without the right to vote except for the cases when the decisions are made about reorganization and liquidation of the company and about limitation of the rights of the holders of the preferred shares.

Dividends for the preferred shares are specified to the amount of five tenge per share. Dividends for the preferred shares cannot be declared to the amount that is less than the amount declared to the holders of ordinary shares. If dividends are not paid for the preferred shares in full volume during three months from the moment of end of the defined period of their payment, the holders of preferred shares shall be entitled to vote before actual payment of dividends.

(in KZT thousand)

The structure of the holders of ordinary shares was represented as follows:

	2024 interest, %	2023 interest, %
Specialty Metals Company	47%	47%
New Asia Investment Group Limited	10%	10%
MetalCapital Investments PTE. LTD	9%	9%
Metal Resource & Technology PTE. LTD	8%	8%
New Metal Investments PTE. LTD	8%	8%
Kolur Holding AG	7%	7%
Other	11%	11%
	100%	**100%**

Additionally paid-in capital

Additional pai-in capital is money invested by SPECIALTY METALS COMPANY being the major shareholder of the company in accordance with the conditions f the contract No.04/006-96 dated 28 November 1996 and contract No.04/037-97 dated 8 July 1997 between SPECIALTY METALS COMPANY and the Government of the Republic of Kazakhstan.

Dividends declared and paid during the year are as follows:

	2024 Ordinary shares	2024 Preferred shares	2023 Ordinary shares	2023 Preferred shares
Dividends payable as of 1 January	477,211	74,927	483,473	63,346
Dividends declared during the year	-	91,722	-	91,724
Dividends paid during the year	(472,969)	(76,396)	-	(72,553)
Taxes deductible from dividends	-	497	-	(7,857)
Foreign exchange difference	-	(2,469)	(6,262)	267
Dividends payable as of 31 December	**4,242**	**88,281**	**477,211**	**74,927**

Earnings per share

Basic income per share is defined by deletion of net income per year intended for the holders of ordinary shares to average weighted number of the ordinary shares being in circulation during the period. The company has no ordinary shares with potential diluted effect therefore diluted earnings per share coincides with basic income per share.

	2024	2023
Income for year payable to holders of ordinary shares	1,274,503	3,856,611
Income for year payable to holders of preferred shares	70,806	214,256
Average weighted number of ordinary shares in circulation	1,942,380	1,942,380
Basic and diluted income for ordinary share, tenge	**656**	**1,986**

Carrying amount of share

Carrying amount of the share is calculated in accordance with the requirement of the listing regulations of Kazakhstan Stock Exchange as total amount of the assets less intangible assets and total amount of the liabilities divided by total number shares.

As of 31 December the share price was as follows:

	2024	2023
Total assets of the Group	253,135,349	198,656,827
Intangible assets	(3,565,896)	(2,759,624)
Total liabilities of the Group	(195,032,244)	(148,543,970)
Issued capital for preferred shares	(2,158)	(2,158)
Net assets	**54,535,051**	**47,351,075**
Number of ordinary shares, pieces	1,942,380	1,942,380
Carrying amount of shares, tenge	**28,076**	**24,378**

(in KZT thousand)

22. LOANS

	Currency	31 December 2024	31 December 2023
Societe Generale and Investment Banking	USD	33,778,794	29,488,581
Development Bank of Kazakhstan JSC	USD	7,802,589	8,787,964
China Construction Bank	USD	7,329,559	4,545,600
RBK Bank	USD	6,282,479	-
Interest payable	USD	298,904	147,720
		55,492,325	**42,969,865**
Long-term part		14,977,075	11,380,683
Current part		40,515,250	31,589,182

Credit line of Societe Generale

In May 2013, the Group signed an agreement with Societe Generale Corporate and Investment Banking ("Societe Generale") on provision of credit line for the total amount of USD 25 million including. In 2017 the conditions of financing of the credit lien were revised as the result of which the credit line is intended for financing and acquisition of proposed product from the subsidiary UKTMPI and other suppliers applicable to Societe Generale (plus appropriate transportation).

As of 31 December 2024 the company received sum to the amount of USD 25,003 thousand (2023: USD 24,098 thousand).

As of 31 December 2024 the subsidiary UKTMP received the sum of USD 39,517 thousand (31 December 2023: USD 40,775 thousand).

Interest rate under the credit line contract is accepted in accordance with the terms of the contract.

Collateral under credit line from Societe Generale is goods purchased using the funds received within credit line, other financing related funds, and claims arising under contracts that were financed using this credit line funds.

Development Bank of Kazakhstan JSC

On 17 January 2014, the Group entered into an agreement with Development Bank of Kazakhstan JSC for a credit line in the total amount of USD 52,297 thousand to refinance the investment loan of Ardor (UK) Ltd. In 2014, funds in the amount of USD 51,554 thousand were drawn under this credit facility. In June 2016, an addendum was signed, setting the loan maturity date to January 2028.

The grace period for the repayment of the principal under Limit No. 1 is 24 months from the date of signing the agreement.

Interest rate for the loan of Development Bank of Kazakhstan JSC is accepted under the terms of the credit line contract.

The collateral under these credit lines includes workshop No.14 for production of the titanium ingots and other assets related to the workshop.

According to the agreement, the Group undertakes to comply with the following financial covenants:

- the ratio of financial debt except for short-term loan debt, and equity not more than 3.6;
- the volume of export revenue – not less than KZT 26 bln;
- the ratio of debt except for short-term loan debt and profit before tax, interests, depreciation and amortization (EBITDA indicator) in 2018 - 2028 not more than 4.5.
- ICR (EBITDA/interests payable) – not less than 1.5.

The Group performed all financial covenants as at 31 December 2024 and 2023.

(in KZT thousand)

China Construction Bank

On 13 June 2023 the Company signed the contract with China Construction Bank Corporation about provision of the credit facility to the amount of USD 10,000 thousand. Under this credit facility, funds totaling USD 10,000 thousand were received in 2023 with a repayment term of three years. In 2024, the loan was partially repaid in the amount of USD 1,000 thousand.

On 28 March 2024, the Group signed the contract with China Construction Bank Corporation on provision of the additional credit facility to the amount of USD 5,000 thousand. Under this credit facility, funds in the amount of USD 5,000 thousand were received on April 1, 2024, with a repayment term of three years..

RBK JSC

On 27 December 2024, the Group signed the contract with Bank RBK JSC about provision of the credit facility to the amount of USD 30 mln. The first tranche was obtained on 27 December 2024 to the amount of USD 12 mln with the repayment period of 3 years.

Movements of the loans

	2024	2023
As of 1 January	42,969,865	33,527,016
Proceeds	96,075,978	87,247,678
Repayment of the principal	(93,253,419)	(79,282,013)
Interests accrued	3,662,063	3,314,670
Interests paid	(1,158,447)	(827,262)
Translation to reporting currency	7,196,285	(1,010,224)
As of 31 December	**55,492,325**	**42,969,865**

23. PROVISIONS

In accordance with the environmental protection legislation the Group has the legal liability for reclamation and recovery of the lands, breached while operating activity. The provisions are discounted price of settlement costs for liquidation of the consequences of the surface use. Current price of the provisions is calculated using the discount rates from 6.95% to 12.39% depending on the reclamation periods.

Change in the provision for reclamation is represented as follows:

	2024	2023
As of 1 January	**2,735,363**	**2,078,068**
Provision for year	-	939,690
Changes of estimates (related to property, plant and equipment) (Note 12)	(873,898)	(190,371)
Changes of estimates (related to intangible assets (Note 14)	(213,933)	(49,329)
Other changes	(26,533)	-
Use of provision	(34,887)	(200,829)
Amortization of discount	193,439	158,134
	1,779,551	**2,735,363**
Long-term part	1,737,936	2,608,454
Current part	41,615	126,909

(in KZT thousand)

24. EMPLOYEE BENEFIT LIABILITIES

Employee benefit liabilities under different plans are payable in accordance with collective employment contracts signed between the company and the employees. As of 31 December the liabilities under the retirement benefit plan with determined payments included:

		2024 г.			2023 г.	
	Short-term	Long-term	Total	Short-term	Long-term	Total
Post employment benefit	29,955	94,913	124,868	13,872	73,437	87,309
Other long-term benefits to employees	16,643	51,257	67,900	14,926	54,158	69,084
Total employee benefit liabilities	**46,598**	**146,170**	**192,768**	**28,798**	**127,595**	**156,393**

Movement of current value of the liabilities for the years ended 31 December 2024 and 2023 is represented as follows:

	Post employment benefit	Other long-term employee benefit	Total
As of 31 December 2022	**86,344**	**70,491**	**156,835**
Amortization of discount	8,184	5,482	**13,666**
Production payments	(9,855)	(19,261)	**(29,116)**
Cost of current services	403	1,343	**1,746**
Actuary restatement recognized in other comprehensive income	2,233	-	**2,233**
Actuary restatement recognized in profit or loss for year	-	11,029	**11,029**
As of 31 December 2023	**87,309**	**69,084**	**156,393**
Amortization of discount	6,276	4,441	10,717
Production payments	(28,048)	(27,148)	(55,196)
Cost of current services	658	1,678	2,336
Actuary restatement recognized in other comprehensive income	2,407	-	2,407
Actuary restatement recognized in profit or loss for year	56,266	19,845	76,111
As of 31 December 2024	**124,868**	**67,900**	**192,768**

Amortization of discount is included in the finance costs (please, see Note 10).

Total amounts of the liabilities for retirement benefit plan with specified amounts of payments and other long-term employee benefits recognized in profit or loss are represented as follows:

	2024	**2023**
Cost of sales	17,836	12,956
General administrative expenses	5,416	3,385

The remeasurement of the post-employment benefit obligation includes the following:

	2024	**2023**
Experience based adjustment	14,040	(1,461)
(Loss)/income as the result of revision of demographic assumptions	(5,505)	2,486
(Loss)/income as the result of financial assumptions	(6,129)	1,208
	2,406	**2,233**

(in KZT thousand)

The Group's settlements were prepared based on published statistic data at the death level and actual data in terms of quantity, age, gender and experience of the employees and retire persons, and statistics for change of staff number. Other key assumptions as at the date of preparation of the consolidated statement of financial position are as follows:

	2024	2023
Discount rate	7.4%	10.59%
Future salary growth	5.6%	6.17%
Average staff turnover rate	16.92%	19.73%

The analysis of defined post-employment benefit obligations sensitivity to changes in key assumptions at 31 December 2024 and 2023 is as follows:

	2024	2023
Discount rate		
Increase by 20%	119,474	149,830
Decrease by 20%	130,960	164,235
Future salary growth rate		
Increase by 20%	134,727	168,960
Decrease by 20%	119,124	149,391
Average staff turnover rate		
Increase by 20%	119,474	145,225
Decrease by 20%	130,960	158,897

25. OTHER TAXES PAYABLE

	31 December 2024	31 December 2023
Income tax deductible from source of payment	157,934	453,758
Individual income tax	189,274	127,536
Social tax	141,709	93,686
Other taxes	70,488	168,924
	559,405	**843,904**

26. TRADE AND OTHER PAYABLES

	31 December 2024	31 December 2023
Trade receivables	106,454,685	90,107,415
Provision for unused vacations	903,105	667,163
Salary debt	817,643	469,024
Debt for compulsory pension deductions	278,059	201,255
Other payables	395,258	363,540
Financial instruments in payable	**108,848,750**	**91,808,397**
Other taxes and compulsory payments for payment	-	-
Total	**108,848,750**	**91,808,397**
Long-term	672	1,739
Current	108,848,078	91,806,658

27. ADVANCES RECEIVED

Article includes advances received under the contracts with the customers for supply of finished products.

(in KZT thousand)

28. FINANCIAL RISK MANAGEMENT GOALS AND POLICIES

Application of the financial instruments exposes the Group to the following risk:

- credit risk;
- liquidity risk;
- market risk.

The Group's management is entitled fully for arrangement of the risk management system and supervision of operation of this system.

The Group's policy for risk management is developed with aim to found and analyzing the risks to which the Group is exposed, define acceptable risk value limits and appropriate control mechanisms and to monitor risks and comply with limits specified. The policy and risk management systems are regularly analyzed for the subject of appropriateness of making amendments in relation to changes of the market conditions and the activity of the Group. The Group set the standards and the procedures of training and management with aim to create an order and valid control system wherein all staff understand their role and liabilities.

The Group's management carries out the supervision over compliance with the policies and procedures of the Group for risks management and analyzes an adequacy of risks management system applicable to risks to which the Group is exposed.

Categories and fair value of the financial assets and liabilities

	Note	31 December 2024	31 December 2023
Financial assets carried at amortized cost			
Other long-term assets	16	114,966	86,732
Trade receivables	19	29,908,897	12,502,619
Cash	20	6,592,544	4,382,954
		36,616,407	**16,972,305**
Financial liabilities carried at amortized cost			
Dividends payable	21	(92,523)	(552,138)
Loans	22	(55,492,325)	(42,969,865)
Provisions	23	(1,779,551)	(2,735,363)
Lease liabilities	13	(70,985)	(72,289)
Trade and other payables	26	(108,848,750)	(91,808,397)
		(166,284,134)	**(138,138,052)**

Fair value

Fair value of the financial assets and liabilities is equal approximately to their carrying amount.

Credit risk

Credit risk is the risk of financial loss to the Group resulting from a customer or counterparty failing to fulfill their contractual obligations under a financial instrument. This risk is generally related to the Group's trade and other receivables, loans granted to related parties, and cash and cash equivalents.

Carrying amount of the financial assets is maximum exposure to credit risk. Maximum exposure to the credit risk as at 31 December made up:

	Note	31 December 2024	31 December 2023
Other non-current assets	16	114,966	86,732
Trade receivables	19	29,908,897	12,502,619
Cash (less cash on hand)	20	6,571,036	4,377,275
Total		**36,594,899**	**16,966,626**

(in KZT thousand)

Trade receivables

The Group's exposure to the credit risk depends in general from individual characteristics of every customer. This trade receivables is related to the customers who works on terms of payment by installments. The Group controls constantly the receivable to minimize the doubtful indebtedness.

The Group's exposure to the credit risk is fully related to the customers in Kazakhstan.

In 2024, 36% of incomes (2023: 33% of incomes) of the Group was for 1 (one) (2023: two) customers. Dependence from the customers is significant and possible adverse consequences in case of their loss may be critical.

The Group creates the allowance for impairment of receivable, that is accounting estimate of the value of the expected credit losses. The trade receivable for the periods of occurrence as at 31 December:

		Total	**Expected credit losses**	**Impairment**
2024	Undue	30,136,671	1%	227,774
2023	Undue	12,723,370	2%	220,751

Cash

Credit risk related to cash is supervised and controlled by the Group's management in accordance with the Group's policy. Available cash is allocated within set limits in the banks with credit rating of Moody's "B1" to "Aa2". This policy is focused on decrease of concentration of the credit risk and minimization of possible financial losses at failure to fulfill by the banks of their contractual liabilities.

	31 December 2024	**31 December 2023**
Ratings from «B1» - «B3»	2,086,421	4,302,365
Ratings from «Baa1» - «Baa3»	4,343	11,946
Ratings from "Ba1" - "Ba2"	4,337,430	
Ratings from «A1» - «Aaa3»	253,809	147,818
Rating free	3,999	1,878
	6,686,002	**4,464,007**

Liquidity risk

The Group manages the liquidity risk by supervising the forecast cash flows and support the balance between further financing and flexibility using bank loans and acquisition of the assets by installments.

(in KZT thousand)

Repayment period of the financial liabilities

The below mentioned table shows the analysis of the financial liabilities of the Group, repaid at gross basis by appropriate groups with repayment periods based on the periods between the reporting dates and contractual repayment dates:

	Less than thre months	From three to 12 months	From year to five years	Mor than five years	Total
2024					
Loans	298,904	40,216,346	14,977,075	-	55,492,325
Dividends payable	92,523	-	-	-	92,523
Provisions	-	41,615	-	5,925,636	5,967,251
Lease liabilities	-	70,985	44,727	-	115,712
Trade and other payables	1,095,702	107,753,048	-	-	108,848,750
	1,487,129	**148,081,994**	**15,021,802**	**5,925,636**	**170,516,561**
2023					
Loans	147,720	32,079,190	13,584,999	-	45,811,909
Dividends payable	552,138	-	-	-	552,138
Provisions	-	126,909	168,307	15,188,545	15,483,761
Lease liabilities	44,780	89,560	-	-	134,340
Trade and other payables	670,279	91,138,118	-	-	91,808,397
	1,414,917	**123,433,777**	**13,753,306**	**15,188,545**	**153,790,545**

Loans include expected future interest payments calculated based on the interest rates effective at the reporting date. Lease liabilities are presented on a gross undiscounted basis.

Price risk

The Group is exposed to the risk of fluctuations in the prices of sponge titanium, titanium ingots, and magnesium due to changes in market conditions.

Interest rate risk

The Company has the financial liabilities exposed to changes in the market interest rates. Change of the interest rates effects on the loans influencing on future cash flows.

Exposure of the financial assets and liabilities of the Company to the risk of interest rate was as follows:

31 December 2024	Note	Floating rate	Fixed rate	Interest free	Total
Other long-term assets	16	-	114,966	-	**114,966**
Trade receivables	19	-	-	29,908,897	**29,908,897**
Cash	20	-	-	6,592,544	**6,592,544**
Total financial assets		-	**114,966**	**36,501,441**	**36,616,407**
Loans	22	(47,390,832)	(7,802,589)	(298,904)	**(55,492,325)**
Dividends payable	21	-	-	(92,523)	**(92,523)**
Provisions	23	-	-	(1,779,551)	**(1,779,551)**
Lease liabilities	13	-	-	(115,712)	**(115,712)**
Trade and other receivables	26	-	-	(108,848,750)	**(108,848,750)**
Total financial liabilities		**(47,390,832)**	**(7,802,589)**	**(111,135,440)**	**(166,328,861)**
Total net position		**(47,390,832)**	**(7,687,623)**	**(74,633,999)**	**(129,712,454)**

(in KZT thousand)

31 December 2023	**Note**	**Floating rate**	**Fixed rate**	**Interest free**	**Total**
Other long-term assets	16	-	86,732	-	**86,732**
Trade receivables	19	-	-	12,502,619	**12,502,619**
Cash	20	-	-	4,382,954	**4,382,954**
Total financial assets		**-**	**86,732**	**16,885,573**	**16,972,305**
Loans	22	(34,034,181)	(8,787,964)	(147,720)	**(42,969,865)**
Dividends payable	21	-	-	(552,138)	**(552,138)**
Provisions	23	-	-	(2,735,363)	**(2,735,363)**
Lease liabilities	13	-	-	(72,289)	**(72,289)**
Trade and other payables	26	-	-	(91,808,397)	**(91,808,397)**
Total financial liabilities		**(34,034,181)**	**(8,787,964)**	**(95,315,907)**	**(138,138,052)**
Total net position		**(34,034,181)**	**(8,701,232)**	**(78,430,334)**	**(121,165,747)**

Interests accrued on the loans using the floating interest rate are based on appropriate base rate that equal to the margin amount, changes at the market and other events. The interest rate for the financial instruments classified as fixed shall stay unchanged before the repayment period of the instrument.

Currency risk

Currency risk arises when future currency proceeds or recognized assets and liabilities are denominated in a currency that is not the Group's functional currency.

31 December 2024	KZT	USD	EUR	RUR	Other	Total
Other long-term assets	114,966	-	-	-	-	**114,966**
Trade receivables	6,802,713	23,106,184	-	-	-	**29,908,897**
Cash	939,930	5,292,175	356,135	-	4,304	**6,592,544**
Total financial assets	**7,857,609**	**28,398,359**	**356,135**	**-**	**4,304**	**36,616,407**
Loans	-	(55,492,325)	-	-	-	**(55,492,325)**
Dividends payable	(95,523)	-	-	-	-	**(95,523)**
Provisions	(1,779,551)	-	-	-	-	**(1,779,551)**
Lease liabilities	(70,985)	-	-	-	-	**(70,985)**
Trade payments and other	(4,248,847)	(100,339,868)	(408,067)	(1,707,319)	-	**(106,704,101)**
Total financial liabilities	**(6,194,906)**	**(155,832,193)**	**(408,067)**	**(1,707,319)**	**-**	(164,142,485)
Net position	**1,662,703**	**(127,433,834)**	**(51,932)**	**(1,707,319)**	**4,304**	**(127,526,078)**

(in KZT thousand)

31 December 2023	KZT	USD	EUR	RUR	Other	Total
Other non-current assets	86,732	-	-	-	-	**86,732**
Trade receivables	2,532,713	9,969,906	-	-	-	**12,502,619**
Cash	84,214	4,296,191	266	1,473	810	**4,382,954**
Total financial assets	**2,703,659**	**14,266,097**	**266**	**1,473**	**810**	**16,972,305**
Loans	-	(42,969,865)	-	-	-	**(42,969,865)**
Dividends payable	(552,138)	-	-	-	-	**(552,138)**
Provisions	(2,735,363)	-	-	-	-	**(2,735,363)**
Lease liabilities	(72,289)	-	-	-	-	**(72,289)**
Trade payables and other	(4,416,291)	(84,743,028)	(163,962)	(2,485,116)	-	**(91,808,397)**
Total financial liabilities	**(7,776,081)**	**(127,712,893)**	**(163,962)**	**(2,485,116)**	**-**	**(138,138,052)**
Total	**(5,072,422)**	**(113,446,796)**	**(163,696)**	**(2,483,643)**	**810**	**(121,165,747)**

The Group is exposed to the currency risk mainly for the loans and debt to the suppliers and subcontractors and receivables of the customers denominated in Kazakhstan tenge. Such risks arise as the result of the transactions of purchase or sale in currencies different from functional currency.

Since the Company's functional currency is the US dollar, if the tenge had strengthened (weakened) by 20% against the US dollar exchange rate as of December 31, 2024, with all other variables held constant, the net income for the year would have decreased (increased) by KZT 332,541 thousand (2023: KZT 1,235,032 thousand).

Capital management

The Group's primary objectives in capital management are to safeguard and maintain the Group's ongoing operations on a going concern basis and to maintain an optimal capital structure in order to maximize returns to shareholders and other stakeholders by minimizing the Group's cost of capital. The Group's overall policy has remained unchanged since 2023.

29. CONTINGENT AND POTENTIAL LIABILITIES

Contingent liabilities for taxation in Kazakhstan

Uncertainties in interpretation of tax legislation

The Group is exposed to impact of uncertainty in relation to its tax liabilities. The tax legislation and tax experience in Kazakhstan are in condition of ongoing improvement and therefore are exposed to changes and different interpretations that may be applied retrospectively.

The legislation's interpretations by the management in the sphere of its application to the transactions and activity of the Group may not coincide with the interpretations of the tax authorities.

As the result, the transactions and operations may be disputed by the appropriate tax authorities that in turns may result to collection from the Group of the additional taxes, fines and penalties that may have significant impact on the Group's financial position and the results of its activity.

Additional taxation period

The tax authorities in Kazakhstan have the right to accrual additionally taxes during three or five years at the end of the appropriate tax period depending on the category of a taxpayer or the tax period. In cases defined by tax legislation such period may be extended for three years.

Possible additional liabilities

The management believes that the Group complies with the requirements of the tax legislation that is valid in Kazakhstan and the tax conditions of the concluded contracts that effect on its activity and therefore the additional tax liabilities cannot arise. However, based on the reasons mentioned above there is a risk that appropriate tax authorities may interpret in other way the contractual provisions and requirements of the tax legislation.

As a result additional tax liabilities may arise. However, because of the range of above-mentioned uncertainties at calculation of any potential additional tax liabilities mentioned above it is not expedience for the management to estimate the financial effect of tax liabilities if such are available including fine and penalties for payment of which the Group is entitled.

Insurance

The market of insurance services in the Republic of Kazakhstan is at a colostrum stage and many forms of insurance distributed in other countries still as the rule are unavailable in Kazakhstan. Available insurance coverage does not ensure full compensation in case of occurrence of significant losses.

Transfer pricing

Transfer pricing control in Kazakhstan has a wide scope and applies to many transactions that are directly or indirectly related to international transactions, regardless of whether the parties to the transactions are related or not. The Transfer Pricing Law requires that all taxes applicable to such transactions be calculated based on market prices determined in accordance with the arm's length principle.

A new law about transfer pricing in Kazakhstan became effective since 1 January 2019. The new law is not clearly defined and some of its provisions has insufficient experience of application. Moreover, the law does not provide the detailed instructions that are at the stage of development.

As a result, application of the law on transfer pricing for different types of the operations is not clearly defined because of uncertainties. There is a risk that the positions of the tax authorities may be different from the position of the Group that may result to additional amounts of the taxes, penalties and fines a of 31 December 2024.

The management believes that as of 31 December 2024 its interpretation of applicable legislation for transfer pricing is sufficient and there is possibility that the Group's position for transfer pricing will be confirmed.

Environment protection matters

The application of environmental legislation in the Republic of Kazakhstan is evolving, and the position of the state authorities regarding its enforcement is subject to periodic revision. The Group periodically assesses its environmental obligations. When such obligations are identified, they are immediately recognized in the consolidated financial statements. In accordance with the Environmental Code of the Republic of Kazakhstan, liquidation funds have been established since 2008. These funds are special accounts used to accumulate resources for land restoration and environmental monitoring after site closures.

Management believes that the Group is currently in compliance with all existing environmental laws and regulations of the Republic of Kazakhstan. However, environmental laws and regulations in Kazakhstan may change in the future. Management is unable to predict the timing and extent of any such changes. In the event of such changes, the Group may be required to upgrade its technologies to meet more stringent environmental requirements.

Legal claims

In the ordinary course of business, the Group may be subject to legal proceedings. Management believes that the ultimate liability, if any, arising from such lawsuits or claims will not have a material adverse effect on the Group's financial position or results of operations. As of 31 December 2024, the Group was not involved in any significant legal proceedings.

Capital expenditure liabilities

The Group has the liabilities for the capital expenditures in relation to acquisition of the property, plant and equipment and also potential liabilities in accordance with the contract for subsurface use. Mandatory expenses under the contracts for subsurface use are usually related to the investments into public projects and include development of the assets of the social sphere, infrastructure and community facilities. Total amount of the liabilities for capital expenditures as of 31 December 2024 amounted to 1,027,743 thousand tenge (2023: 308,341 thousand tenge).

(in KZT thousand)

30. TRANSACTIONS WITH RELATED PARTIES

The related parties include as follows:

- key management
- shareholders
- associate

Remuneration to the management

The remunerations obtained by the key management are included in expenses for the salaries in general and administrative expenses (please, see Note 7) and amounted to 208,767 thousand tenge (2023: 135,791 thousand tenge).

	Shareholders	Associate
2024		
Acquisition from related parties	-	(375,310)
Sale to related parties	-	8,814,863
Debt to related parties	92,523	4,507,504
2023		
Acquisitions of related parties	-	(782,820)
Sale to related parties	-	6,775,075
Debt to related parties	552,138	2,478,441

As at 31 December 2024 and 2023 the Group has no allowances for impairment of the receivable of the related parties. The Group had no expenses for impairment of receivable of the related parties.

Conditions of transactions with related parties

The pricing with the related parties is defined based on the constant base depending on nature of the transactions and provisions of the law on transfer pricing.

31. INFORMATION ABOUT THE GROUP

The consolidated financial statements include the company's financial statements, and its subsidiaries mentioned below:

	Core business	Country of registration	Ownership %	
			2024	2023
Satpayev Ore Dressing Plant LLP	Exploration and mining of ilmenite at Bektemir field located in East Kazakhstan	Kazakhstan	100%	100%
UKTMP International Ltd	Selling titanium sponge and titanium ingots and procured of main raw material to produce titanium sponge by the company	UK	100%	100%

(in KZT thousand)

32. SIGNIFICUNT ACCOUNTING POLICY

When preparing the consolidated financial statements the Group applied consequently the principle of the accounting policy mentioned below.

Transactions with foreign currency

Transactions with foreign currency are recalculated into functional currency of the Group at the exchange rates as of the dates of carrying out of such transactions. Monetary assets and liabilities denominated in foreign currency as of the reporting date are recalculated in functional currency at the exchange rate effective as of this reporting date. Non-monetary assets and liabilities denominated in foreign currency and estimated at fair value are recalculated in functional currency at the exchange rate effective as of the date of determination of fair value and estimated at history cost – as of the date of transaction. The exchange rate differences arising at recalculation at the rate as of the date of carrying out of the transaction and at recalculation of the monetary assets and liabilities at the rate as of the date of the reporting period shall be indicated in the statement of profit or loss.

	31 December 2024	2024 Average	31 December 2023	2023 Average
USD	523.54	469.44	454.56	456.31
EUR	545.47	507.86	502.24	493.33
GBP	659.08	600.27	577.47	567.30
RUR	4.99	5.08	5.06	5.40

Property, plant and equipment

Recognition and accounting

The objects of the property, plant and equipment are reflected at the price of acquisition less accumulated depreciation and losses from impairment.

The price includes expenses directly related to acquisition of assets. The price of the assets produced or built up using administrative method includes the price of the materials and direct work force any other expenses directly related to putting the asset in work condition for their proposed use and expenses for dismantling of the subjects and recovery of the land whereon they are located and accumulated expenses for loans. Acquired software being an integral part of functionality of the appropriate equipment is capitalized in price of such equipment.

If the subject of the property, plant and equipment includes separate components that have different period of useful life every of which is taken note as separate subject (and important component) of property, plant and equipment.

Any amount of profit or loss from disposal of the subject of the property, plant and equipment is defined through comparison of revenue from its disposal from its carrying amount and is recognized in net base in line "other profit" or "other losses" of profit or loss.

Subsequent costs

Expenses related to replacement of the part (an important component) of the subject of the property, plant and equipment increase the carrying amount of such subject in case of probability that the Group will receive future economic benefits related to indicated part, is high and its price is possible to define reliably. The carrying amount of the replacement part is written off. The expenses for current repair and servicing of the subjects of the property, plant and equipment are recognized in profit or loss at the moment of their occurrence.

Depreciation

Depreciation is accrued using straight line method during whole period of useful life of the assets before its residual cost. Expected periods of useful life of the property, plant and equipment:

- buildings and constructions 15-50 years;
- vehicles and equipment 5-15 years;
- vehicles 3-10 years;

Depreciation for basic metal equipment is accrued using a production method to write off actual costs of the property, plant and equipment less liquidation cost.

The expected periods of useful life and residual cost are analyzed on condition as of every reporting date.

Intangible assets

The rights for subsurface use are estimated at actual price less accumulated amortization and accumulated losses from impairment. The price of acquisition of the rights for subsurface use includes the price of rights for subsurface use and capitalized losses. Other intangible assets acquired by the Group and having the end period of useful life are reflected at prime cost less accumulated amounts of amortization and losses from impairment. Subsequent losses are capitalized in price of certain asset only if they increase economic profits involved in this asset.

Amortization

The expected periods of useful life of the intangible assets in the reporting and comparative periods were as follows:

- rights for subsoil use: 23 years;
- Software: 7 - 11 years.

Amortization is accrued using straight line method during whole period of useful life.

Investments in joint venture and associate

The investments on joint venture and associate are taken note of using an equity method. In accordance with the equity method the investments in joint venture and associate initially are recognized at the initial cost. The carrying amount of the investments are increased subsequently or decreased because of recognition of the Group's equity in changes of net assets of joint venture and associate arising after acquisition.

The consolidated statement of profit or loss reflects the Group's equity in the financial results of the activity of joint venture and associate. Moreover, if there has been a change, directly recognized in the equity of joint venture and associate, the Group recognizes its equity of such change and disclose such fact as applicable in the consolidated statement of changes inequity. Unrealized profit or loss arising for the transactions between the Group and joint venture and associate shall be excluded within the equity of joint venture and associate.

The financial statements of joint venture and associate are prepared for the reporting period as the Group's financial statements. If required, the adjustments are made in it with aim to bring the accounting policy in line with the Group's accounting policy.

In case of loss of significant impact over joint venture or associate, the Group measures and recognizes the residual investments at fair value. The difference between the carrying amount of the investments in joint venture or associate at the moment of loss of significant effect or joint control and fair value of the residual investments and proceeds from disposal shall be recognized in profit or loss.

Impairment

The analysis of the carrying amount of the non-current assets for present of impairment is carried out in cases when the events or changes of circumstances evidencing about a possibility that their carrying amount may be nonrefundable. If there are indicators of impairment the estimation is made that allow to find whether the carrying amount is more than the price of the assets of their refundable price. Carrying out such analysis is made separately for every asset except for assets that independently do not generate cash proceeds. In this case the analysis is made at the level of subdivision, generating cash proceeds.

In case when the carrying amount of the asset or subdivision that generates cash proceeds is more than its refundable price, so the provision is created to reflect the asset at the lowest price. Recovery of losses (expenses) from impairment shall be recognized in profit or loss.

Calculation of the recoverable amount

The recoverable price of the asset is determined as the largest value of its use and fair value less of the asset less expenses for its selling. When estimating the value of use of the asset, the expected future cash flows are discounted till their current price applying the discount rate before tax reflecting current market estimation of the temporary price of cash and risks inherent to such asset. The asset's refundable price that independently do not generate cash proceeds is defined in refundable price of the subdivision that generates cash proceeds to which such assets are related.

Loss reversal from impairment

Prior recognized loss from impairment must be recovered if there had been changes in estimates used to define the refundable amount. Loss from impairment is reversed only to the extent when the carrying amount of the asset does not exceed the carrying amount that would be defined less depreciation or amortization if the loss from impairment would not recognized.

Inventories

Inventories are recorded at a lower of cost and net realizable value. The prime cost of the inventories is defined using FIFO method and includes expenses for acquisition of the inventories, their production or recycling and expenses for delivery of the inventories to their present location and bringing them to appropriate condition. Net price of sale represents the guessed price (estimated) price of sale of the inventories in the course of ordinary business of the company less estimated expenses to finish the production of the inventories and their sale.

Cash

Cash and cash equivalents in the banks are available at request and are exposed to insignificant risk of change of the price and cash on hand.

Loans

The loans initially are recognized at fair value of received funds less losses from the transaction directly related to their receipt. After initial recognition the loans are estimated at amortized price using method of effective interest rate.

Lease

Group as lessee

At the moment of signing the contract the Group measures whether the contract in general or its certain components is the lease contract. The Group recognizes the right to use of the asset and lease liability appropriate to it in relation to all rent contracts except or short-term lease and lease of the assets with low price. For such lease contracts the Group recognizes the lease payments in the operating expenses based on the straight-line basis during the lease period.

The lease liability is recognized at fair value of the lease payments using the rate of attraction of additional borrowings. After the start of the lease the carrying amount of the lease liability is increased to reflect the amortization of discount and is decreased to the amount of production lease payments. Moreover, the Group re-estimates the lease liability to reflect the modification of the lease contract.

Rights-of-use assets shall be recognized at the initial cost that includes the appropriate lease liabilities, lease payments, made at the moment or before the start of lease less direct expenses for arrangement lease. After the start of lease the right-of-use is assessed at the price less accrued amortization and impairment.

Variable payments independent from any rate or index are excluded from the initial estimation of the lease liability and appropriate right-of-use asset. Such payments are recognized in operating expenses in the period wherein the condition or event have arisen that result to a need of such payments.

For lease contracts that contain one or several not lease components, the Group emphasizes not lease components and taken note of them as the single lease contract.

Group as lessor

The Group as the lessor concludes the lease contract in relation to the buildings. If in accordance with the lease conditions all risks and benefits essentially are not transferred to the lessor, so the lease is classified as operational.

The lease profit from operating lease is recognized on the straight-line basis during the lease period. The initial direct expenses for arrangement of the operating lease include in the price of lease asset and are amortized during the lease period.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. If effect of temporary price of money is significant, the provisions are calculated by discounting of the expected future cash inflows at the rate before tax that reflects current market estimates of temporary price of money and where appropriate risks inherent to this liability.

If the discounting is used, the increase of the amount of the provisions at the end of time is recognized as expenses for financing. As time went on the discounted provision is increased (decreased) to the amount of change of the price based on the discount rates that reflect current market estimates and risks inherent to this liability. At the moment of creation of the provision the appropriate asset is capitalized if due to its use the future economic profits are expected and amortized using the production method.

Reclmation provision

Reclamation provision is recognized with probability of occurrence of appropriate liabilities and an opportunity of a validated assessment of their amounts. The reclamation losses include the expenses for dismantling or removal of the subjects of the infrastructure, clearing of the environment, monitoring over emissions.

Provision for estimated costs for reclamation is formed and related to the price of the property, plant and equipment in the reporting period wherein the liability occurred resulting from appropriate fact of production of wastes based on net fair value of the losses measured in future. The provision for reclamation does not include any additional liabilities occurrence of which are expected due to the facts of violations or cause damage in future.

Evaluation of the expenses is made based on a reclamation plan. The estimated values of the amounts are calculated annually to the extent of operation taking note of known changes, for example, renewed estimated amounts and revised periods of operation of assets or specified periods of the operating activities, with carrying out of official inspections on a regular basis.

Although the exact final amount of the required expenses is unknown, the Group evaluates its expenses based on a feasibility study and engineering researches in accordance with current technical rules and standards of performance of the works for reclamation. Any changes of the expenses for recovery or assumptions will be recognized as increase or decrease of the appropriate assets and provisions when they occur.

Long-term employee benefits

The Groups provides its employees with benefits payable upon termination of employment (one-time retirement benefit, funeral aid for retired employees) and other long-term employee benefits (financial aid for employees' disability, significant anniversaries and death) in accordance with the provisions of collective agreement.

The entitlement to benefits payable upon termination of employment is usually conditional on the employee remaining in service until the retirement age and the completion of a minimum term of employment.

The post-employment employee benefits are unfunded defined benefit pension plans and are estimated based on the revised IAS 19 *Employee Benefits*. The actuarial and investment risks on non-funded defined benefit pension plans are borne by the Group.

When unfunded defined benefit pension plans are estimated, initially amount of payments due to employees for services rendered by them in current and previous periods is determined and actuarial assumptions are made. Thereafter, the discounted cost on defined benefit pension plan and cost of services using the projected unit credit method are determined.

Amortization amount or "cancel" of discount used when determining net present value of the provisions is indicated in the financial statements for the period.

The Group recognises within profit or loss:

- the cost of services rendered in current period;
- the cost of any services of previous periods, and profit or loss arising from calculation of plan liabilities; and
- the net value of interest with respect to defined benefit pension plan liabilities.

The Group recognises actuarial gains or loss from revaluation of net defined benefit pension plan liability within other comprehensive income.

The entitlement to other long-term employee benefits is usually conditional on the completion of a minimum service period. Other long-term employee benefits are estimated during an employee's labour activity under method that is used for the calculation of non-funded defined benefit pension plans. For other long-term employee benefits the Group recognises the cost of current and past services, the net value of interest on net liability, actuarial gains and loss (remeasurement of net liability) within profit or loss. Actuarial gains and losses comprise both the effects of changes in actuarial assumptions and experience adjustments arising because of differences between the previous actuarial assumptions and what has actually occurred.

Actuarial assumptions include demographic assumptions (employees' mortality level, turnover, disability and early retirement rates) and financial assumptions (discount rate, future salary level, remuneration level). The most significant assumptions used in accounting for defined benefit obligations and other long-term benefits are the discount rate, level of the future payroll rate, and average employee turnover rate. The discount rate is used to determine the net present value of future liabilities and each year the unwinding of the discount on those liabilities is charged to the profit or loss for the year as interest cost. The Group uses market yield rates on state bonds with similar terms as discount rates.

These obligations are valued annually by independent qualified actuaries.

The Group recognizes the financial assets and liabilities in the statement of financial position when the Group becomes a party of the contract for the instrument.

Retirement benefit liabilities

On behalf of its employees the Group pays the pension and retirement benefits provided for the legal requirements of the Republic of Kazakhstan. Such payments are related to expenses to the extent of their occurrence. In case of retirement of the employees the Group's financial liabilities are terminated and all further payments to the retired employees shall be made by the unified pension fund.

Incomes

At the moment of conclusion of the contract for selling the goods the Group estimates the assets promised under the contract with the customer and identifies as the liability to be fulfilled of every promises to transfer to the customer the asset that is different or differs from the assets that are practically equal and are transferred to the customer based on the similar scheme.

Selling the goods

Income from sale of the goods is recognized at the moment of transfer of control to the customer. Transfer is made when the goods are supplied to a warehouse of the customer, the risk of impairment and loss of the goods was transferred to the customer, the goods are accepted under the contractual conditions and cannot be returned by the customer.

The receivable is recognized when the goods are supplied to the warehouse of the customer because of at this moment selling is considered unconditional, and receipt of reimbursement must be realized at the end of certain period.

Financing component

The Group has no contracts where the period between selling the goods and services, and payment is more than one year. As a result selling is not adjusted for temporary price of cash.

Finance incomes

Finance incomes include income yield from invest funds. Interest yield is recognized to the extent of accrual and is calculated using the method of effective interest rate.

Expenses for the loans

Expenses for loans directly related to acquisition, construction or production of the asset, commissioning or selling of which shall become via considerable period of time, capitalized by including in the price of such asset. All other expenses for the loans are recognized in profit or loss.

Income tax expenses

Expenses for income tax include income tax of current period and deferred tax. Expenses for income tax are reflected in profit or loss except for its part that is related to the transactions recognized in the equity in such case it is also recognized in the equity.

Current income tax represents a tax amount payable in relation to taxable income for the year and all adjustments of the liability value for payment of income tax for the previous periods.

Deferred tax is defined using a balance method through determination of the temporary differences between the carrying amount of the asset and liability for the purposes of the financial statements and the amounts applicable for taxation.

Deferred tax assets and liabilities are assessed at the tax rates that as expected will be applied to the period of selling of the asset and repayment of the liability based on the tax rates (and tax legislation) that effective or actually became effective as of the date of a balance sheet.

Deferred tax asset is recognized only to the extent that there is a probability to receive in future the taxable income that may be reduced to the amount of such asset. The amount of deferred assets is decreased to the extent that there is no possibility that appropriate tax benefit will be applied.

Deferred tax assets and liabilities are taken into note if there is a legal right for settlement of current tax assets on account of tax liabilities and if deferred taxes are related to the same subject of tax authority.

Financial instruments

Financial assets

Initial recognition and estimation

Financial assets being the sphere of application of IFRS 9 are classified correspondingly as financial assets taken note at amortized cost, estimated at fair value through profit or loss or estimated at fair value through comprehensive income. The Group classifies the financial assets at their initial recognition depending on business models of management by the financial assets and contractual liabilities of cash flows.

Financial asset is classified and measured at amortized cost or at fair value through other comprehensive income if the contractual conditions of such asset makes conditional to receive cash flows that are "solely payments for the principal and interests" for unpaid part of the principal. The financial assets, cash flows for which the category "cash flows" is not mentioned, are classified as measured at fair value through profit or loss not depending from business model.

At initial recognition the financial assets are recognized at fair value that is received interest plus directly related to them expenses from the transaction. Any profit or loss at initial recognition are recognized in the statement of profit or loss and other comprehensive income.

Further estimation

Financial assets classified at amortized cost are taken note using method of effective interest rate (EIR). The amortized cost is calculated by taking note of discounts or benefits and fees when acquiring. The amortization of the difference between nominal and amortized costs is recognized in the statement of profit or loss and other comprehensive income in finance incomes.

The financial assets measured at fair value through profit or loss are taken note in the statement of financial position at fair value and net changes of their fair value are recognized in the statement of profit or loss and other comprehensive income.

Derecognition

Derecognition of the financial asset is made when the Group loses control over the rights under the contract that includes such asset. It happens when the right are exercised, expired or transferred.

Impairment of the financial assets

The Group measures the expected credit losses that may arise from the financial assets, assessed at amortized cost. This estimation includes the possibility of occurrence of events as the result of which a counteragent will be unable to pay the amount of the contractual liabilities.

The expected credit losses are calculated for possible events during the period of the financial assets taken note of at amortized cost. When the receivable is not taken note at the amortized cost and there were no significant changes in the credit risk of this financial asset from the moment of the initial recognition, the expected credit losses are calculated for the events that are possible during 12 months of the reporting date.

Financial liabilities

Initial recognition and estimation

Financial liabilities being in the sphere of allocation of IFRS 9 are classified as financial liabilities measured at fair value through profit or loss and estimated at amortized cost. The Group defines classification of its financial liabilities at initial recognition.

All financial liabilities are initially recognized at fair value, that is paid interest. The financial liabilities estimated at amortized cost and include directly related with them expenses from transaction.

Further estimation

Trade and other payables are measured at amortized cost using method of EIR. The amortized cost is calculated taking note of the discounts or benefits and fees at acquisition. The amortization of difference between nominal and amortized cost is recognized in the statement of profit or loss and other comprehensive income in financial expenses.

The financial liabilities measured at fair value through profit or loss are taken note in the statement of financial position at fair value and net changes of their fair value are recognized in the statement of profit or loss and comprehensive income.

Derecognition

Recognition of the financial liabilities is stopped if the liability has been repaid, cancelled or a validity period has expired. If available financial liability is replaced by other liability to significantly different conditions or if the conditions of available liability are changed significantly such replacement or change is taken note as derecognition of the initial liability or start of recognition of a new liability and difference in their carrying amount is recognized in the statement of profit or loss and other comprehensive income.

Offsetting financial instruments

The financial assets and financial liability are subject to offsetting and net amount must be represented in the statement of financial position only when there is applicable legal right for offsetting of the recognized amounts and intention to make offsetting on net basis or sale the assets and repay the liability at the same time.

Fair value of the financial instruments

At every reporting date, fair value of the financial instruments that are traded at active market is defined based on quoted prices without adjustments for transactional expenses. Fair value of the financial assets that are not traded at active market are determined using appropriate estimation method. Such methods may include use of recent market transactions, current fair value of the same instrument, discounted cash flows and other estimation methods.

33. EVENTS AFTER REPORTING DATE

The Company has event occurred before the date of approval of the financial statements that would require adjustment or disclose in the Notes to the financial statements.

The original equipment manufacturers (OEM) applied to the Group with a request to qualify new alloy materials that will allow the Company to increase its share at the market in aerospace, medical and industry sectors. Some processes of qualification have been started in 2024 and, as it was expected will be completed till the end of the first half of 2025. It will allow the Group to expand in new scope of application and to start the industrial production and shipment of new certified alloys immediately thereafter. The Group will not cover recently announced tariffs because of titanium imported in USA is exempt from these measures. Current tariffs for Chinese titanium products are valid, but they were not increased. As the result the buyers from USA are more cautious when purchasing the titanium sponge from China. Regardless of continuous international efforts to stop the war on Ukraine, we do not expect a permission in the nearest future. Moreover, if the permission will exist, cancellation of the sanctions will take a time. Today, the Group do not expect significant decrease of the tariff for fright of the raw materials. We expect that sales in 2025 will remain stable or shade above than in 2024. Currently, the management conducts negotiations for several long-term contracts that as it is expected will ensure sales till the end of the decade.