Annex No. 1
to the Ballot for Absentee Voting
at the Annual General Meeting of Shareholders of UKTMP JSC
dd. 08.07.2026

UST-KAMENOGORSK TITANIUM AND MAGNESIUM PLANT JSC

Consolidated financial statements for the year ended December 31, 2025,

and the Independent Auditor's Report

UST-KAMENOGORSK TITANIUM AND MAGNESIUM PLANT JSC

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STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

The following statement, which should be read in conjunction with the description of the auditors' responsibilities contained in the independent auditors' report provided, is made to set out the auditors' responsibilities with respect to the consolidated financial statements. Ust-Kamenogorsk Titanium and Magnesium Plant JSC (hereinafter referred to as the "Group").

Management of the Group is responsible for the preparation of consolidated financial statements that present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and the consolidated performance, consolidated cash flows and consolidated changes in equity for the year then ended, in accordance with International Consolidated Financial Reporting Standards (IFRS).

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

- selection of appropriate accounting principles and their consistent application;
- application of reasonable estimates and calculations;
- compliance with IFRSs, or disclosure of any material departures from IFRSs in the notes to the consolidated financial statements; and
- preparing the consolidated financial statements on a going concern basis, unless it is inappropriate to presume that the Group will continue in business for the foreseeable future.

Management is also responsible for:

- development, implementation and maintenance of an effective and reliable system of internal control within the Group;
- Maintaining proper accounting records that disclose, with reasonable accuracy at any time, the consolidated financial position of the Group, and that enable them to ensure that the consolidated financial statements of the Group comply with IFRS;
- accounting in accordance with the legislation of the Republic of Kazakhstan;
- taking such measures as are reasonably available to it to protect the assets of the Group;
- detection and prevention of fraud and other abuses.

These consolidated financial statements for the year ended 31 December 2025 have been authorised for issue by the Group's management on June 1, 2026.

Approved and signed on behalf of the Group's management:

_____	_____	_____
Mamutova A.	**Serikpayev S.**	**Bukeeva Sh.**
President	**Financial Director**	**Chief accountant**
UKTMP JSC		

June 1, 2026
Ust-Kamenogorsk, Republic of Kazakhstan

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Ust-Kamenogorsk Titanium and Magnesium Plant JSC and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the 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, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2025, 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 expressing opinion

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

Key audit issues

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current period. These matters were considered in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon. We do not express a separate opinion on these matters. We have identified the following key audit matters to be disclosed in our report:

Service life of fixed assets

Risk

The carrying value of property, plant and equipment and depreciation expense constitute significant line items in the consolidated statement of financial position and the consolidated statement of profit or loss and other comprehensive income. We considered the estimation of the useful lives of property, plant and equipment a significant risk, as the determination of the useful life (capacity of production equipment) and the depreciation applied thereto are largely a matter of management judgment.

Our measures

Our audit procedures in this area included the following:

- Achieving an understanding of the control procedures for the process of determining the service life of fixed assets and calculating depreciation;
- Analysis of applicable accounting policies in relation to fixed assets;
- Analysis of the service life of fixed assets, verification of the correctness of depreciation calculations, as well as a survey of technical specialists on selected items;
- Assessing the Group's management's judgment regarding the absence of any signs of impairment of the value of property, plant and equipment at the reporting date;
- Verification of the completeness of disclosure of information concerning fixed assets and recalculation of depreciation of fixed assets.

Other information included in the Group's Annual Report for 2025

The other information includes the information contained in the Group's Annual Report for 2025, but does not include the consolidated financial statements or our auditor's report. Management of the Group is responsible for the other information. The Group's Annual Report for 2025 is expected to be made available to us after the issuance of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information referred to above when it is provided to us and, in doing so, to consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or whether the other information contains any obviously material misstatement.

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

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

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

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

The auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 the consolidated financial statements.

As part of an audit conducted in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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 due to fraud is higher than the risk of not detecting a material misstatement due to error because fraud can include collusion, forgery, intentional omission, misrepresentation, or override of internal control;
- obtain an understanding of internal control that is relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we evaluate the overall presentation, structure and content of the consolidated financial statements, including disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that achieves fair presentation.
- we plan and perform the Group's audit to obtain sufficient appropriate audit evidence about the financial information of the entities or business units to form a basis for our opinion on the Group's financial statements. We are responsible for directing, supervising, and reviewing the audit work performed for the Group's audit. We remain ultimately responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with all relevant ethical requirements regarding independence and have communicated with those charged with governance about all relationships and other matters that might reasonably be thought to bear on the auditor's independence and, where appropriate, about the actions taken to address the threats or safeguards taken.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in our audit of the consolidated financial statements of the current period and, therefore, constitute key audit matters. We discuss these matters in our auditor's report unless public disclosure of these matters is prohibited by law or regulation or, in extremely rare cases, we conclude that a matter should not be disclosed in our report because the adverse consequences of disclosing such matters would reasonably be expected to outweigh the publicly significant benefits of disclosing them.

The person responsible for the audit that resulted in this independent auditor's report is:

_____Kalieva D.
Auditor's qualification certificate No. MF-001394,
issued by the Qualification Commission
on the certification of auditors of the Republic of Kazakhstan dated February 12, 2021

BDO Qazaqstan LLP
State License No. 25007259 was issued on March 5, 2025, by the Internal State Audit Committee of the Ministry of Finance of the Republic of Kazakhstan. The initial State License No. 21012748 was issued on March 19, 2021.

_____ Omarov T.
Director of BDO Qazaqstan LLP

June 1, 2026.
Almaty, Republic of Kazakhstan

UST-KAMENOGORSK TITANIUM-MAGNESIUM PLANT JSC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2025G.

(in thousands of Kazakhstani tenge)

	Notes	2025	2024
Revenue from sales	5	109,658,446	94,314,098
Cost of sales	6	(87,928,359)	(74,313,621)
Gross income		**21,730,087**	**20,000,477**
Sales expenses	7	(5,062,721)	(3,578,576)
General administrative expenses	8	(10,025,589)	(9,799,446)
Other operating income	9	4,454,214	6,731,910
Other operating expenses	9	(2,075,333)	(4,906,765)
Operating income		9,020,658	**8,447,600**
Financial expenses	10	(4,268,085)	(3,877,764)
Financial income	10	3,511	186,435
Share in the income of an associated company	15	(174,272)	135,384
Income before tax		**4,581,812**	**4,891,655**
Income tax expenses	11	(2,940,302)	(3,546,346)
Net income for the year		**1,641,510**	**1,345,309**
Other comprehensive income/(loss) for the year after tax			
Items that may be reclassified to the income statement			
Translation difference		(2,773,399)	6,734,254
Items that cannot be reclassified to the income statement			
Actuarial income/(expense) on employee benefits, net of income taxes	24	(26,825)	2,407
Other comprehensive income/(loss) for the year		**(2,800,224)**	**6,736,661**
Total comprehensive income/(loss) for the year		(1,158,714)	8,081,970
Basic and diluted earnings per share, tenge	21	**801**	**656**

On behalf of the Group's management:

Mamutova A.	**Serikpayev S.**	**Bukeeva Sh.**
President	**Financial Director**	**Chief accountant**
UKTMP JSC		

June 1, 2026
Ust-Kamenogorsk, Republic of Kazakhstan

The notes on pages 11–45 are an integral part of these consolidated financial statements.

UST-KAMENOGORSK TITANIUM-MAGNESIUM PLANT JSC

CONSOLIDATEDSTATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025
(in thousands of Kazakhstani tenge)

	Notes	December 31 2025	December 31 2024
ASSETS			
Non-current assets			
Fixed assets	12	104,564,160	103,741,998
Right-of-use asset	13	90,769	98,135
Intangible assets	14	3,218,583	3,565,896
Investment in an associated company	15	1,863,706	2,123,014
Deferred tax asset	11	51,427	53,573
Other long-term assets	16	1,756,186	1,142,709
Total non-current assets		**111,544,831**	**110,725,325**
Current assets			
Inventories	17	80,564,847	88,628,984
VAT and other taxes to be refunded	18	10,595,220	10,015,231
Prepayment of income tax		2,453,171	125,503
Trade and other receivables	19	35,965,556	37,047,762
Cash	20	4,981,596	6,592,544
Total current assets		**134,560,390**	**142,410,024**
TOTAL ASSETS		**246,105,221**	**253,135,349**
CAPITAL AND LIABILITIES			
Capital and reserves			
Share capital	21	159,988	159,988
Additional paid-in capital		1,282,401	1,282,401
Reserve for translation into presentation currency		15,769,364	18,542,763
Other reserves		(53,219)	(26,394)
Retained earnings		39,731,901	38,144,347
Total capital and reserves		**56,890,435**	**58,103,105**
Long-term liabilities			
Loans	22	17,309,564	14,977,075
Provisions	23	1,362,381	1,737,936
Deferred tax liability	11	7,310,771	6,144,319
Lease obligations	13	64,452	44,727
Long-term employee benefit obligations	24	133,314	146,170
Long-term accounts payable	26	-	672
Total long-term liabilities		**26,180,482**	**23,050,899**
Current liabilities			
Loans	22	45,926,005	40,515,250
Dividends payable		98,875	92,523
Lease obligations	14	48,124	70,985
Provisions	23	-	41,615
Current employee benefit obligations	24	38,735	46,598
Income tax payable		24,379	84,696
Other taxes payable	25	574,019	559,405
Trade and other payables	26	106,860,488	108,848,078
Advances received	27	9,463,679	21,722,195
Total current liabilities		**163,034,304**	**171,981,345**
TOTAL LIABILITIES		**189,214,786**	**195,032,244**
TOTAL CAPITAL AND LIABILITIES		**246,105,221**	**253,135,349**

On behalf of the Group's management:

Mamutova A.	**Serikpayev S.**	**Bukeeva Sh.**
President	**Financial Director**	**Chief accountant**
UKTMP JSC		

June 1, 2026
Ust-Kamenogorsk, Republic of Kazakhstan

The notes on pages 11–45 are an integral part of these consolidated financial statements.

UST-KAMENOGORSK TITANIUM-MAGNESIUM PLANT JSC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025.
(in thousands of Kazakhstani tenge)

	Notes	2025	2024
Operational activities:			
Receipt of funds from customers		94,731,921	95,254,920
Advances received		2,721,743	3,738,459
Other receipts		989,089	608,997
VAT refund from the budget		1,313,120	9,925,178
Cash paid to suppliers		(24,556,590)	(44,430,908)
Advances issued		(44,785,710)	(21,646,383)
Cash paid to employees		(12,006,765)	(10,594,474)
Settlements with the budget		(9,299,584)	(11,211,932)
Income tax paid		(513,007)	(2,631,391)
Interest paid		(1,780,456)	(1,158,447)
Other payments		(1,363,455)	(1,831,732)
Net cash flow from operating activities		**5,450,306**	**16,022,287**
Investment activities:			
Proceeds from the sale of fixed assets		5,857	26,771
Acquisition of fixed assets and intangible assets		(14,594,086)	(16,155,168)
Increase in restricted funds		41,923	28,234
Other payments		-	1,439
Net cash used in investing activities		**(14,546,306)**	**(16,098,724)**
Financial activities:			
Receipts from loans	22	116,571,701	96,075,978
Repayment of loans	22	(109,366,312)	(93,253,419)
Rent payments	13	(44,422)	(40,864)
Dividends paid to owners	21	(48,730)	(549,365)
Net cash provided by financing activities		**7,112,237**	**2,232,330**
Cash at the beginning of the year		**6,592,544**	**4,382,954**
Net increase/(decrease) in cash		(1,983,763)	2,155,893
The effect of exchange rate changes on cash		372,815	53,697
Cash at the end of the year	20	**4,981,596**	**6,592,544**

On behalf of the Group's management:

Mamutova A.	**Serikpayev S.**	**Bukeeva Sh.**
President	**Financial Director**	**Chief accountant**
UKTMP JSC		

June 1, 2026
Ust-Kamenogorsk, Republic of Kazakhstan

The notes on pages 11–45 are an integral part of these consolidated financial statements.

UST-KAMENOGORSK TITANIUM-MAGNESIUM PLANT JSC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025.
(in thousands of Kazakhstani tenge)

	Note	Authorized capital	Additional paid-in capital	Reserve for translation into presentation currency	Other reserves	Retained earnings	Total
Balance as of January 1, 2024		**159,988**	**1,282,401**	**11,808,509**	**(28,801)**	**36,890,760**	**50,112,857**
Net income for the year		-	-	-	-	1,345,309	**1,345,309**
Other comprehensive income		-	-	6,734,254	2,407	-	**6,736,661**
Dividends declared	**21**	-	-	-	-	(91,722)	**(91,722)**
Balance as of December 31, 2024		**159,988**	**1,282,401**	**18,542,763**	**(26,394)**	**38,144,347**	**58,103,105**
Net income for the year		-	-	-	-	1,641,510	**1,641,510**
Other comprehensive income		-	-	(2,773,399)	(26,825)	-	**(2,800,224)**
Dividends declared	**21**	-	-	-	-	(53,956)	**(53,956)**
Balance as of December 31, 2025		**159,988**	**1,282,401**	**15,769,364**	**(53,219)**	**39,731,901**	**56,890,435**

On behalf of the Group's management:

Mamutova A.	**Serikpayev S.**	**Bukeeva Sh.**
President	**Financial Director**	**Chief accountant**
UKTMP JSC		

June 1, 2026
Ust-Kamenogorsk, Republic of Kazakhstan

The notes on pages 11–45 are an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

Organization and activities

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

The main office of the Company is registered and located at the address: Kazakhstan, 070017, Ust-Kamenogorsk, Bagdat Shayakhmetov str., building 1/1.

These consolidated financial statements include the Company and its subsidiaries (the "Group"). A list of the Company's subsidiaries is provided in Note 31. The Group's ultimate controlling party is Mr. Johan Dumont, Managing Director of SPECIALTY METALS HOLDING COMPANY.

The main activities of the Group are:

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

As at 31 December 2025, the Group employed 2,087 people (2024: 2,209 people).

Conditions for conducting business activities in Kazakhstan

The Group's operations are primarily concentrated in Kazakhstan. Consequently, the Group is exposed to country risk, which is the economic, political, and social risks inherent in doing business in Kazakhstan. These risks include issues arising from government policies, economic conditions, tax and legal changes, currency fluctuations, and the enforcement of contractual rights.

These consolidated financial statements reflect management's assessment of the impact of economic conditions in Kazakhstan on the Group's operations and financial position. Future economic conditions may differ from management's assessments.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance with IFRS

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Accounting Interpretations Committee ("IAIC") of the IASB.

Basics of Measurement

These consolidated financial statements have been prepared on the historical cost basis.

Basis of consolidation

The consolidated financial statements reflect the financial position of the Group as at 31 December 2025, and the Group's financial performance for the year ended 31 December 2025. Subsidiaries are entities controlled by the Group. Control is achieved if the Group has the power, directly or indirectly, to direct those activities of the entity that most significantly affect the returns the Group earns from its involvement with the entity. The financial statements of subsidiaries are consolidated from the date that control is transferred to the Group and are not consolidated from the date that control ceases. When the Group ceases to control an entity, any retained interest in the entity is remeasured to its fair value, with any adjustment to the carrying amount recognized in profit or loss. Fair value is the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of such an entity are accounted for as if the Group had directly sold the related assets or liabilities. This treatment may mean that amounts previously recognized in other comprehensive income are reclassified as income or expense.

The financial statements of subsidiaries are prepared for the same reporting year as the Company's financial statements, in accordance with consistent accounting policies. All intragroup accounts and transactions, including unrealized gains from intragroup transactions, are eliminated in full. Unrealized losses are eliminated in the same manner as unrealized gains, except that they are eliminated only to the extent that there is no evidence of impairment.

Functional currency and presentation currency

The functional currency of each consolidated entity of the Group is the US dollar, except for its subsidiary, Satpayevsk Mining and Processing Plant LLP, which conducts its primary activities in the national currency of the Republic of Kazakhstan – the Kazakhstani tenge (hereinafter – "tenge"). The Group's presentation currency is the national currency of the Republic of Kazakhstan – the Kazakhstani tenge (hereinafter – "tenge").

3. NEW AND REVISED STANDARDS AND INTERPRETATIONS

New and revised IFRSs issued, effective from 1 January 2025.

The Group has adopted a number of new standards and amendments to standards that are effective for annual periods beginning on or after 1 January 2025. They did not have a significant impact on the Group's consolidated financial statements:

For annual periods beginning on or after January 1, 2025, the following shall apply:

Amendments to IAS 21 Lack of Exchangeability.

On August 15, 2023, the International Accounting Standards Board (IASB) issued a document amending IAS 21 The Effects of Changes in Foreign Exchange Rates (IAS 21: Lack of Exchange Ability). The amendments introduce requirements for assessing when a currency is exchangeable for another currency and when it is not. The amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable for another currency. These amendments had no impact on the Company's financial statements.

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

Illustrative examples of the reflection of uncertainties in financial statements.

On November 28, 2025, the International Accounting Standards Board (IASB) published Disclosures About Uncertainties in Financial Reporting - Illustrative Examples, which amended several accounting standards, IFRSs 1, 7, 9 and 10, and IAS 7, including illustrative examples to demonstrate how entities can apply the IFRS accounting standards in reflecting the effects of uncertainties in their financial statements.

Illustrative examples are supporting materials to IFRS accounting standards and do not have an effective date. The IASB published a near-final draft of the illustrative examples in July 2025. The group considered these illustrative examples in preparing the financial statements, andno additional disclosures or changes to the presentation were deemed necessary.

New standards, interpretations and amendments not yet effective

Existsa number of standards,amendments and interpretations issued by the International Accounting Standards Board (IASB) that are effective in future reporting periods but that the Company has decided not to early adopt.

The following amendments are effective for annual periods beginning on or after 1 January 2026:

- Amendments to IFRS 7 and 9: Classification and Measurement of Financial Instruments;
- "Contracts for the Supply of Electricity Obtained from Natural Resources" - Amendments to IFRS 7 and IFRS 9;
- Annual Improvements to IFRS Accounting Standards - Amendments to IFRSs 1, 7, 9 and 10 (IAS 7).

The following amendments are effective for annual periods beginning on or after 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements;
- IFRS 19 Subsidiaries Not Accountable to the Public: Disclosures.

IFRS 18 Presentation and Disclosure in Financial Statements, issued by the International Accounting Standards Board (IASB) in April 2024, replaces IFRS 1 and will result in significant changes to IFRSs, including IFRS 8 Framework for Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Although IFRS 18 will not have any impact on the recognition and measurement of items in financial statements, it is expected to have a significant impact on the presentation and disclosure of information for some items. These changes include categorization and subtotals in the income statement, aggregation/disaggregation and labeling of information, and disclosure of performance measures determined by management.

The Group is currently assessing the impact of these new accounting standards and amendments.

Use of estimates and assumptions

In preparing these consolidated financial statements in accordance with IFRS, the Group's management uses judgment, assumptions, and estimates regarding the recognition of assets and liabilities and the disclosure of contingent assets and liabilities. These judgments are based on management's knowledge of certain facts and circumstances relating to historical experience. Actual results may differ from these estimates.

Assumptions and the estimates based on them are continually reviewed to determine whether changes are necessary. Changes in estimates are recognized in the reporting period in which they are revised and in any subsequent periods affected by the changes.
The following notes provide, among other things, information about key areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements. However, management does not expect the values of assets and liabilities affected by these factors to change significantly within a reasonably possible range over the next 12 months, unless otherwise stated.

Note 11 - Income tax

Management has assessed the completeness of tax liabilities that can be verified by tax authorities and the timing of the realization of temporary differences;

Note 12 - Property, plant and equipment.
An assessment was made in determining the useful lives of assets;

Note 13 - Rent.
Management has made an estimate of the expected lease term, taking into account the extension option and the rate of additional borrowing;

Note 14 - Intangible assets.
An assessment was made in determining the useful lives of assets;

Note 17 - Inventories.
The assessment is made in relation to reserves for illiquid inventories;

Note 19 - Trade and other receivables. Management has made an estimate of expected credit losses;

Note 23 - Provisions.
An estimate is made of the fair value of provisions based on expected future cash flows and a risk-free discount rate;

Note 24 - Employee benefit liabilities.
An estimate is made of the fair value of the defined benefit pension plan obligations;

Note 28 - Financial risk management objectives and policies.
Fair value analysis is based on estimates of future cash flows and discount rates;

Note 29 - Contingent and potential liabilities.
This disclosure requires management to estimate the liabilities and determine the likelihood of future cash outflows.

4. SEGMENT REPORTING

Operating segments areseparate components, which carry out business activities and may generate revenue or incur expenses. Segment operating results are regularly reviewed by the Group's chief operating management body, and separate financial information is available for the operating segments. The Group's chief operating management body is the President of the Company.

Description of operating segments

The Group operates through the following main operating segments:

- Segment “Titanium sponge»;
- Segment "Titanium alloys and ingots";
- Other: other activities that are immaterial to the Group as a whole.

Factors that management uses to determine reportable segments

The Group's segments are strategic business units that produce various products of varying additional cost And are oriented on various clients. They managethey are separate, since for eachbusiness-units required their˘ market sales And their technologies.

Evaluation of operating segments

The President of the Company evaluates the performance of each segment on a gross basis. profit according to consconsolidated financial˘ reporting By IFRS.

Intersegment balances are included in the measurement of each segment's performance. Third-party revenue information reported to the chief operating decision-maker is prepared using the same accounting principles used to prepare the consolidated statement of income and expenses and other comprehensive income.

The Group does not present information on segment assets and liabilities because such information is not regularly reviewed by the chief operating decision-maker.

Segment information for the reportable segments for the year ended December 31, 2025 is presented as follows:

	Titanium sponge	Titanium alloys and ingots	Other	Eliminated inter-segment settlements	Total
Revenue from sales	41,710,112	67,294,763	653,571	-	109,658,446
Intersegment revenue	24,650,212	-	-	(24,650,212)	-
Segment revenue	66,360,324	67,294,763	653,571	(24,650,212)	109,658,446
Cost of sales	(46,119,021)	(41,304,369)	(504,969)		(87,928,359)
Gross income	20,241,303	25,990,394	148,602	(24,650,212)	21,730,087
Sales expenses					(5,062,721)
General administrative expenses					(10,025,589)
Other operating income					4,454,214
Other operating expenses					(2,075,333)
Financial expenses, net					(4,264,574)
Share of income of an associated company					(174,272)
Income before tax					4,581,812
Income tax expenses					(2,940,302)
Net income for the year					1,641,510
Depreciation of fixed assets and amortization of intangible assets	(3,861,229)	(6,229,675)	(60,503)	-	(10,151,407)

Segment information for the reportable segments for the year ended December 31, 2024 is presented as follows:

	Titanium sponge	Titanium alloys and ingots	Other	Eliminated inter-segment settlements	Total
Revenue from sales	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 income	**(6,336,775)**	**27,173,226**	**342,820**	**(1,178,794)**	**20,000,477**
Sales expenses					(3,578,576)
General administrative expenses					(9,799,446)
Other operating income					6,731,910
Other operating expenses					(4,906,765)
Financial expenses, net					(3,691,329)
Share of income of an associated company					135,384
Income before tax					**4,891,655**
Income tax expenses					(3,546,346)
Net income for the year					**1,345,309**
Depreciation of fixed assets and amortization of intangible assets	(5,090,028)	(7,182,276)	(144,082)	-	(12,416,386)

Geographic information

Below is information on revenue from sales to customers by major geographic markets.

The geographic location of buyers is determined by their country of registration.

	2025	2024
France	48,485,593	38,878,618
USA	44,798,997	30,989,842
Kazakhstan	5,252,740	7,958,225
Korea	4,716,770	7,212,827
India	2,812,521	2,731,859
United Kingdom	1,647,856	1,074,889
Russia	332,372	322,684
Italy	254,447	1,895,991
Belgium	113,083	2,023,232
China	-	28,280
Others	1,244,067	1,197,651
Total	**109,658,446**	**94,314,098**

5. INCOME FROM SALES

	2025	2024
Titanium ingots	67,294,763	54,556,125
Titanium sponge	41,710,112	38,663,535
Vanadium	332,372	180,159
Master alloy	260,217	805,007
Magnesium Mg-90	60,982	109,272
Total	**109,658,446**	**94,314,098**

6. COST OF SALES

	2025	2024
Raw materials	23,730,457	26,720,670
Electricity	20,503,799	19,845,078
Chemicals, fuels and other materials	13,819,075	14,995,535
Salaries and payroll taxes	11,463,539	10,160,426
Depreciation and amortization	8,512,175	10,172,832
Repair and maintenance	1,667,563	1,503,064
Ingot manufacturing services	-	438,888
Other expenses	1,389,012	827,560
Production costs	**81,085,620**	**84,664,053**
Changes in finished goods and work in progress	6,842,739	(10,350,432)
Total	**87,928,359**	**74,313,621**

7. IMPLEMENTATION COSTS

	2025	2024
Transportation costs	4,574,359	2,583,129
Packaging costs	206,872	254,439
Customs export duties	67,950	48,539
Other expenses	213,540	692,469
Total	**5,062,721**	**3,578,576**

8. GENERAL AND ADMINISTRATIVE EXPENSES

	2025	2024
Salaries and payroll taxes	4,259,062	3,831,337
Depreciation and amortization	1,396,014	1,503,199
Third-party services	1,179,855	1,463,840
Tax expenses other than income tax	462,560	370,131
Financial assistance and social support	363,686	671,645
Inventories	353,384	290,234
Travel expenses	229,739	160,158
Healthcare services	174,604	129,883
Bank services	173,022	99,669
Expenses for the maintenance of the social sphere	172,051	18,656
Compulsory insurance costs	155,021	94,535
Financial assistance	143,466	208,513
Consulting and audit services	111,648	110,087
Electricity	96,458	82,011
Repair and maintenance	80,165	30,374
Fines, penalties, forfeits	37,577	29,878
Communication services	20,038	18,843
Environmental protection costs	-	-
Other expenses	617,239	686,453
Total	**10,025,589**	**9,799,446**

9. OTHEROPERATING INCOME AND EXPENSES

	2025	2024
Operating income		
Income from sales of materials and provision of services	1,452,072	1,916,281
Income from exchange rate differences	1,108,174	-
Income from reversal of impairment loss	909,110	1,347,209
Rent	634,114	1,254,264
Income from disposal of fixed assets	5,857	26,771
Other income	344,887	2,187,385
Total	**4,454,214**	**6,731,910**

	2025	2024
Operating expenses		
Cost of sales of materials and provision of services	(1,227,756)	(1,395,639)
Loss from disposal of fixed assets	(307,354)	(18,375)
Rent	(48,769)	(453,879)
Reserve expenses	(21,890)	-
Exchange rate loss	-	(1,527,808)
Other expenses	(469,564)	(1,511,064)
Total	**(2,075,333)**	**(4,906,765)**

10. FINANCIAL INCOME AND EXPENSES

	2025	2024
Income from remuneration	3,511	186,435
Total financial income	**3,511**	**186,435**
Interest expense:		
- Societe Generale credit line	(2,352,882)	(2,440,948)
- Development Bank of Kazakhstan	(330,815)	(687,112)
- China Construction Bank credit line	(509,824)	(508,218)
- Banque Cantonale Vaudoise credit line	-	(25,785)
- RBK credit line	(708,181)	-
- Forte Bank credit line	(206,947)	-
- Alatau City Bank credit line	(16,391)	-
Amortization of discount on present value:		
- reserve for reclamation	(107,109)	(193,439)
- employee benefit obligations	(14,766)	(10,717)
- rental obligations	(21,170)	(11,545)
- long-term accounts payable	-	-
Total financial expenses	**(4,268,085)**	**(3,877,764)**

11. INCOME TAX

	2025	2024
Income tax expenses		
Corporate Income Tax - Current Period	1,725,177	3,235,748
Corporate Income Tax - Previous Periods	(457)	-
Origin and reversal of temporary differences	1,215,582	310,598
Total	**2,940,302**	**3,546,346**

Calculation of the effective income tax rate for the year ended December 31, 2025 and 2024:

	2025	2024
Income before tax	4,581,812	4,891,655
Income tax rate	20%	20%
Income tax calculated at the applicable rate	(916,362)	(978,331)
Adjustment of income tax for previous periods	-	-
Tax-exempt share of profits of an associated company	34,854	(27,077)
Non-deductible expenses (non-taxable income)	(2,058,794)	(2,540,938)
Income tax expenses	**(2,940,302)**	**(3,546,346)**
Effective income tax rate	64.2%	72.5%

The change in the amount of temporary differences during 2025 and 2024 can be represented as follows:

	2025	2024
Fixed assets	(8,216,505)	(6,781,827)
Subsoil use rights	(18,154)	(17,339)
Reserve for inventories	293,656	120,637
Reserve for reclamation	272,476	174,402
Taxes payable	70,126	55,008
Accounts receivable	54,977	56,275
Interest payable	43,046	59,781
Employee benefit liability	34,410	38,554
Lease assets and liabilities	22,515	23,142
Vacation reserve	184,109	180,621
Total	**(7,259,344)**	**(6,090,746)**
Deferred tax asset	**51,427**	**53,573**
Deferred tax liability	**(7,310,771)**	**(6,144,319)**

Movement of deferred tax liability in financial statements:

	2025	2024
On January 1st	**(6,090,746)**	**(4,969,225)**
Classified as (expenses) income	(1,215,582)	310,598
Impact of translation into reporting currency	46,984	(1,432,119)
As of December 31st	**(7,259,344)**	**(6,090,746)**

12. FIXED ASSETS

	Land in ownership	Buildings and structures	Machinery and equipment	Vehicles	Unfinished construction	Total
Book value						
As of December 31, 2023	**1,272,954**	**44,729,137**	**99,533,619**	**7,378,314**	**13,537,512**	**166,451,536**
Receipts	-	-	6,578,617	38,640	9,413,447	16,030,704
Changes in estimates allocated to property, plant and equipment(Note 23)	-	(873,898)	-	-	-	(873,898)
Movements	23,001	2,898,827	5,622,704	17,890	(8,562,422)	-
Departures	-	-	(5,750,775)	(114,842)	(844,307)	(6,709,924)
Impact of recalculation into the reporting currency for the cost of fixed assets	191,729	6,277,918	14,311,332	981,560	1,161,772	22,924,311
As of December 31, 2024	**1,487,684**	**53,031,984**	**120,295,497**	**8,301,562**	**14,706,002**	**197,822,729**
Receipts	13,393	(38,129)	3,269,015	1,012,347	10,136,547	14,393,173
Changes in estimates allocated to property, plant and equipment(Note 23)						
Movements	-	4,862,942	4,104,917	21,258	(8,989,117)	-
Departures	-	(12,946)	(2,356,280)	(267,699)	-	(2,636,925)
Impact of recalculation into the reporting currency for the cost of fixed assets	(58,530)	(1,490,502)	(5,239,789)	(345,600)	(1,030,486)	(8,164,907)
Price as of December 31, 2025	**1,442,547**	**56,353,349**	**120,073,360**	**8,721,868**	**14,822,946**	**201,414,070**
Accumulated depreciation						
As of December 31, 2023	**-**	**(11,474,290)**	**(61,805,102)**	**(4,315,034)**	**(24,240)**	**(77,618,666)**
Wear	-	(2,064,302)	(9,381,882)	(613,454)	-	(12,059,638)
Depreciation on disposed fixed assets	-	-	5,737,925	110,533	-	5,848,458
Impact of recalculation into the reporting currency for accrued depreciation of fixed assets	-	(1,553,356)	(8,070,438)	(623,413)	-	(10,247,207)
Impact of translation into the reporting currency for CIP reserve	-	-	-	-	(3,678)	(3,678)
As of December 31, 2024	**-**	**(15,091,948)**	**(73,519,497)**	**(5,441,368)**	**(27,918)**	**(94,080,731)**
Wear	**-**	**(1,455,944)**	**(7,580,862)**	**(667,185)**	**-**	**(9,703,991)**
Depreciation on disposed fixed assets	**-**	**3,701**	**2,257,489**	**112,710**	**-**	**2,373,900**
Impact of recalculation into the reporting currency for accrued depreciation of fixed assets	-	535,618	3,778,210	245,966	-	4,559,794
Impact of translation into the reporting currency for CIP reserve	-	-	-	-	1,118	1,118
As of December 31, 2025		**(16,008,573)**	**(75,064,660)**	**(5,749,877)**	**(26,800)**	**(96,849,910)**
Net book value						
As of December 31, 2025	**1,442,547**	**40,344,776**	**45,008,700**	**2,971,991**	**14,796,146**	**104,564,160**
As of December 31, 2024	**1,487,684**	**37,940,036**	**46,776,000**	**2,860,194**	**14,678,084**	**103,741,998**

Construction in progress as of December 31, 2025, represents the reconstruction and repair of buildings, structures, and equipment. Upon completion, these assets are reclassified into the "buildings and structures" and "machinery and equipment" categories.

The cost of fully depreciated fixed assets as of December 31, 2025 is 37,488,697 thousand tenge (December 31, 2024 36,148,400 thousand tenge).

13. RENT

The Group leases office space. Leases are typically entered into for fixed periods of 12 months or less, with an option to extend. Leases contain no covenants other than protective measures regarding leased assets owned by the lessor. Leased assets may not be subleased or used as collateral.

Right-of-use asset	2025	2024
On January 1st	**598,759**	**452,488**
Receipts	20,116	77,605
Departure		-
Impact of translation into reporting currency	(23,983)	68,666
As of December 31st	**594,892**	**598,759**
Depreciation		
On January 1st	**(500,624)**	**(363,264)**
Receipts	(23,932)	(74,701)
Accrual of depreciation		-
Departure		-
Impact of translation into reporting currency	20,433	(62,659)
As of December 31st	**(504,123)**	**(500,624)**
Book value	**90,769**	**98,135**

Lease obligations	2025	2024
As of January 1st	**(115,712)**	**(72,289)**
Departure	(20,116)	(77,605)
Amortization of discount	(21,170)	(5,780)
Payments	44,422	40,864
Impact of translation into reporting currency	-	(902)
As of December 31st	**(112,576)**	**(115,712)**
Long-term part	(64,452)	(44,727)
Current part	(48,124)	(70,985)

14. INTANGIBLE ASSETS

	Subsoil use rights	Software Security	Total
Book value			
As of January 1, 2024	**842,343**	**3,127,133**	**3,969,476**
Admission	(213,933)	998,362	784,429
Departure	-	-	-
Change in Estimates (Note 23)	-	538,414	538,414
Impact of translation into reporting currency	-	-	-
As of December 31, 2024	**628,410**	**4,663,909**	**5,292,319**
Admission	-	200,913	200,913
Change in Estimates (Note 23)	-	32,058	32,058
Impact of translation into reporting currency	-	-	-
As of December 31, 2025	**628,410**	**4,896,880**	**5,525,290**
Accumulated depreciation			
As of December 31, 2023	**(308,210)**	**(901,642)**	**(1,209,852)**
Depreciation	(14,445)	(342,303)	(356,748)
Depreciation on disposals	-	-	-
Impact of translation into reporting currency	-	(159,823)	(159,823)
As of December 31, 2024	**(322,655)**	**(1,403,768)**	**(1,726,423)**
Depreciation	(14,445)	(432,971)	(447,416)
Depreciation on disposals	-	-	-
Impact of translation into reporting currency	-	(132,868)	(132,868)
As of December 31, 2025	**(337,100)**	**(1,969,607)**	**(2,306,707)**
Net book value			
As of December 31, 2025	**291,310**	**2,927,273**	**3,218,583**
As of December 31, 2024	**305,755**	**3,260,141**	**3,565,896**

15. INVESTMENT IN ASSOCIATED COMPANY

The Group exerts significant influence on POSUK Titanium LLC due to its ownership stake in the authorized capital and the presence of one of three representatives on the Supervisory Board of this company.

	2025		2024	
	Share possessions	Book value	Share possessions	Book value
POSUK Titanium LLP		1,863,706	38.31%	2,123,014
		1,863,706	38.31%	**2,123,014**

The table below provides the changes in the carrying amount of the Group in its associate:

	2025	2024
As of January 1st	**2,123,014**	**1,725,747**
Share in the income of an associated company	(174,272)	135,384
Impact of translation into reporting currency	(85,036)	261,883
As of December 31, 2024	**1,863,706**	**2,123,014**

	2025	2024
Information on financial position		
ASSETS		
Non-current assets	19,238,204	19,769,394
Current assets	11,201,196	7,747,868
LIABILITIES		
Long-term liabilities	(8,727,157)	(9,543,611)
Current liabilities	(16,847,438)	(12,431,981)
CAPITAL	**4,864,805**	**5,541,670**
Ownership share	38.31%	38.31%
Book value of investments	**1,863,706**	**2,123,014**

Information on income and expenses

	2025	2024
Revenue	2,062,266	9,846,973
Profit from continuing operations	932,236	977,803
Reference		
Administrative expenses	(627,006)	(260,412)
Financial expenses	(375,484)	(355,189)
Other income, net	(802,681)	21,401
Income tax expenses/(savings)	444,723	(262,210)

16. OTHER LONG-TERM ASSETS

	December 31, 2025	December 31, 2024
Deposits with limited use	156,889	114,966
Financial instruments included in other long-term assets	**156,889**	**114,966**
Advances issued for non-current assets	1,599,297	1,027,743
Total	**1,756,186**	**1,142,709**

Restricted deposits are intended to accumulate funds for the purpose of reclaiming land located under waste disposal sites and sludge ponds.

Prepayments for fixed assets mainly relate to the acquisition of equipment for the purpose of upgrading existing fixed assets.

17. INVENTORIES

	December 31, 2025	December 31, 2024
Work in progress	40,787,328	38,533,591
Raw materials and supplies	28,001,884	29,685,580
Finished products	11,812,396	20,908,879
	80,601,608	**89,128,050**
Reserves for illiquid inventories	(36,761)	(499,066)
Total	**80,564,847**	**88,628,984**

The change in the reserve for illiquid inventories is presented as follows:

	2025	2024
As of January 1	(499,066)	(1,603,017)
Restored	442,315	1,347,210
Impact of translation into reporting currency	19,990	(243,259)
As of 31 December	**(36,761)**	**(499,066)**

18. VAT AND OTHER TAXES PAYABLE

	December 31, 2025	December 31, 2024
VAT refundable	10,018,627	9,609,505
Corporate tax at the IV for reimbursement	434,998	224,236
Other taxes to be reimbursed	141,595	181,490
Total	**10,595,220**	**10,015,231**

19. TRADE AND OTHER RECEIVABLES

	December 31, 2025	December 31, 2024
Trade receivables	31,434,596	30,136,671
Reserve for expected credit losses	(223,426)	(227,774)
Financial instruments included in accounts receivable	**31,211,170**	**29,908,897**
Advances to suppliers	4,757,626	7,062,414
Customs duties to be reimbursed	25,701	28,138
Other accounts receivable	112,415	194,314
Reserve for impairment of advances issued	(141,356)	(146,001)
Total	**35,965,556**	**37,047,762**

The change in the allowance for expected credit losses is as follows:

	2025	2024
As of 1 January	(227,774)	(220,751)
(Restored)/Accrued	(7,258)	26,459
Write-off at the expense of a previously created reserve	2,484	14
Impact of translation into reporting currency	9,122	(33,496)
As of 31 December	**(223,426)**	**(227,774)**

The change in the reserve for doubtful advances issued is presented as follows:

	2025	2024
As of 1 January	(146,001)	(93,907)
Accrued/(restored)	(14,475)	(71,234)
Impact of translation into reporting currency	11,677	2,428
Write-off at the expense of a previously created reserve	7,443	16,712
As of 31 December	**(141,356)**	**(146,001)**

20. CASH

	December 31, 2025	December 31, 2024
Cash in current bank accounts	4,958,000	6,571,036
Cash on hand	23,596	21,508
Total	**4,981,596**	**6,592,544**

21. CAPITAL

Share capital

As of December 31, 2025 and 2024, the total number of authorized and issued common shares is 971,190 shares. All issued common shares are fully paid. Each common share carries one vote.

As of December 31, 2025 and 2024, the total number of authorized and issued preferred shares is 107,910 shares. All issued preferred shares are fully paid.

	Number of shares	2025 Amount, thousand tenge	Number of shares	2024 Amount, thousand tenge
Common shares (par value – 140 tenge per share)	971,190	135,967	971,190	135,967
Common shares (par value – 20 tenge per share)	971,190	19,424	971,190	19,424
Preferred shares (par value – 20 tenge per share)	107,910	2,158	107,910	2,158
Total share capital at par value	**2,050,290**	**157,549**	**2,050,290**	**157,549**
Adjustment for hyperinflation		2,439		2,439
Total share capital		**159,988**		**159,988**

Preferred shares provide preferential rights over common shares in the event of a company's liquidation. Preferred shares entitle their holders to participate in general meetings of shareholders without voting rights, except in cases where decisions are made regarding the reorganization and liquidation of the company or restrictions on the rights of preferred shareholders.

Dividends on preferred shares are set at five tenge per share. Dividends on preferred shares must not be declared in an amount lower than the amount declared to common shareholders. If dividends on preferred shares are not paid in full within three months of the established payment deadline, preferred shareholders retain voting rights until the dividends are actually paid.

The structure of common shareholder shareholders was as follows:

	2025 Share, %	2024 share, %
SPECIALTY METALS HOLDING COMPANY	47%	47%
NEW ASIA INVESTMENT GROUP LIMITED	10%	10%
METACAPITAL INVESTMENTS PTE. LTD	9%	9%
METAL RESOURCE&TECHNOLOGY PTE. LTD	8%	8%
NEW METAL INVESTMENTS PTE. LTD	8%	8%
KOLUR HOLDING AG JSC	7%	7%
Others	11%	11%
	100%	**100%**

Additional paid-in capital

Additional paid-in capital represents funds investedSPECIALTY METALS HOLDING COMPANY, which is the main shareholder of the Company, in accordance with the terms of contract No. 04/006-96 dated November 28, 1996 and contract No. 04/037-97 dated July 8, 1997 between SPECIALTY METALS COMPANY and the Government of the Republic of Kazakhstan.

The dividends declared and paid during the year are presented below:

	2025 Common shares	2025 Preferred shares	2024 Common shares	2024 Preferred shares
Dividends payable on January 1	4,242	88,281	477,211	74,927
Dividends declared during the year		53,956	-	91,722
Dividends paid during the year		(48,730)	(472,969)	(76,396)
Taxes withheld from dividends	(17)	1,098	-	497
Exchange rate difference	17	28	-	(2,469)
Dividends payable on December 31	**4,242**	**94,633**	**4,242**	**88,281**

Earnings per share

Basic earnings per share is determined by dividing net income for the year attributable to common shareholders by the weighted average number of common shares outstanding during the period. The Company has no potentially dilutive common shares, so diluted earnings per share equals basic earnings per share.

	2025	2024
Weighted average number of common shares outstanding	1,942,380	1,942,380
Profit for the year attributable to common shareholders	1,555,115	1,274,503
Profit for the year attributable to preferred shareholders	86,395	70,806
Basic and diluted earnings per common share, tenge	**801**	**656**

Book value per Share

The book value of a share is calculated in accordance with the requirements of the listing rules of the Kazakhstan Stock Exchange as the total amount of assets minus intangible assets and total amount of liabilities, divided by the total number of shares.

As of December 31, the share price was as follows:

	2025	2024
Total assets of the Group	246,105,221	253,135,349
Authorized capital for preferred shares	(2,158)	(2,158)
Intangible assets	(3,218,583)	(3,565,896)
Total liabilities of the Group	(189,214,786)	(195,032,244)
Net assets	**53,669,694**	**54,535,051**
Number of common shares, pieces	1,942,380	1,942,380
Book value of shares, tenge	**27,631**	**28,076**

22. LOANS

	Currency	December 31 2025	December 31 2024
Societe Generale and Investment Banking	US dollars	31,246,078	33,778,794
Development Bank of Kazakhstan JSC	US dollars	-	7,802,589
China Construction Bank	US dollars	6,533,409	7,329,559
RBK Bank	US dollars	11,598,895	6,282,479
	US dollars	5,402,626	-
Forte Bank Alatau City Bank	US dollars	8,239,333	-
Interest payable	US dollars	215,228	298,904
		63,235,569	**55,492,325**
Long-term part		17,309,564	14,977,075
Current part		45,926,005	40,515,250

Societe Generale credit line

In May 2013, the Group entered into an agreement with Societe Generale Corporate and Investment Banking ("Societe Generale") for a credit facility totaling US$25 million. In 2017, the terms of the credit facility were revised, allowing the facility to finance the acquisition of pre-sale inventory from its subsidiary UKTMPI and other suppliers acceptable to Societe Generale (plus associated transportation).

As at 31 December 2025, the Group had disbursed USD 24,907 thousand (2024: USD 25,003 thousand).

As at 31 December 2025, the subsidiary UKTMPI had disbursed an amount of USD 37,266 thousand (31 December 2024: USD 39,517 thousand).

The interest rate under the credit line agreement is accepted in accordance with the terms of the agreement.

The collateral for the Societe Generale credit line is the goods purchased with the proceeds received under the credit line, other funds related to the financing, as well as claims arising from contracts financed by the proceeds of this credit line.

Development Bank of Kazakhstan JSC

On January 17, 2014, the Group entered into an agreement with Development Bank of Kazakhstan JSC for a credit line facility in the total amount of USD 52,297 thousand to refinance the investment loan of Ardor (UK) Ltd. In 2014, funds were received under this limit in the amount of USD 51,554 thousand. In June 2016, a Supplementary Agreement was concluded, according to which the loan repayment term is set until January 2028.

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

The interest rate on the loan from Development Bank of Kazakhstan JSC was accepted in accordance with the terms of the loan agreement.

The credit lines are secured by Shop No. 14 for the production of titanium ingots and other assets related to the shop.

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

- the ratio of financial debt, excluding short-term accounts payable, to equity is no more than 3.6;
- volume of export revenue - not less than 26 billion tenge;
- the ratio of debt, excluding short-term accounts payable, to earnings before interest, taxes, depreciation and amortization (EBITDA) in 2018-2028 is no more than 4.5.
- ICR (EBITDA/interest payable) - not less than 1.5.

The Group is in compliance with all financial covenants as of December 31, 2025 and 2024.
In July 2025, the loan from Development Bank of Kazakhstan JSC was fully repaid.

China Construction Bank Corporation
On June 13, 2023, the Company entered into an agreement with China Construction Bank Corporation for a credit line of USD 10,000,000. In 2023, funds totaling USD 10,000,000 were received under this line of credit with a repayment term of three years.
Partial repayment in the amount of USD 1,000,000 is due on October 30, 2025.
On March 28, 2024, the company entered into an agreement with China Construction Bank Corporation for an additional credit line in the amount of USD 5,000,000. The funds under this credit line were received on April 1, 2024, in the amount of USD 5,000,000 with a repayment term of 3 years.
The movement of money on the loan is as follows:
July 31, 2024 partial repayment in the amount of USD 2,000 thousand.
January 16, 2025 partial repayment in the amount of USD 2,000 thousand.
February 21, 2025, loan increase in the amount of USD 3,000 thousand.
March 20, 2025 partial repayment in the amount of USD 2,000 thousand.
April 15, 2025 loan increase in the amount of USD 2,000 thousand.
October 30, 2025, partial repayment in the amount of USD 1,000 thousand.

The principal amount of the loan to China Construction Bank Corporation as of 12/31/2025 was USD 13,000 thousand (USD 14,000 thousand as of 12/31/2024).

Bank RBK JSC

On December 27, 2024, the Group entered into an agreement with Bank RBK JSC to provide a credit limit of USD 30,000 thousand.
1) The first tranche was received on December 27, 2024 in the amount of USD 12,000 thousand with a repayment period of 3 years.
The repayment of this line in 2025 was made in the total amount of USD 4,000 thousand - in equal payments of USD 1,000 thousand on March 26, June 25, September 25 and December 25, 2025.
2) On February 13, 2025, the second tranche was received in the amount of USD 6,150 thousand with a repayment period of 3 years.
The repayment of this line in 2025 was made in the total amount of USD 1,537.5 thousand - in equal payments of USD 512.5 thousand on May 13, August 13 and November 13, 2025.
3) On June 26, 2025, the third tranche was received in the amount of USD 6,500 thousand with a repayment period of 3 years.
The repayment of this line in 2025 was made in the total amount of USD 1,300 thousand - in equal payments of USD 650 thousand on September 26 and December 26, 2025.
4) On September 25, 2025, the fourth tranche was received in the amount of USD 3,000 thousand with a repayment period of 3 years.
The repayment of this line in 2025 was made in the amount of 333 thousand US dollars - December 25, 2025.
5) On December 11, 2025, the fifth tranche was received in the amount of USD 2,600 thousand with a repayment period of 3 years.

The principal amount of the loan of Bank RBK JSC as of 31.12.2025 was USD 23,079 thousand (as of 31.12.2024 USD 12,000 thousand).

Bank ForteBank JSC

On June 26, 2025, the Company entered into an agreement with ForteBank JSC for a credit line in the amount of USD 15,000 thousand. On July 15, 2025, funds in the amount of USD 12,900 thousand were received under this limit with a repayment term of 3 years.
On December 30, 2025, a partial repayment of USD 2,150 thousand was made.
The principal amount of the loan to ForteBank JSC as of December 31, 2025 was USD 10,750 thousand.

Alatau City Bank JSC

On December 26, 2024, the Company entered into a general loan agreement with Alatau City Bank JSC to open a letter of credit in the amount of EUR 3,377,500, or the equivalent in US dollars, for a period of 60 months, with an availability period of three months.
Under this letter of credit, funds in the amount of USD 1,393.5 thousand were received on October 15, 2025, with a repayment period of 3 years.
On December 30, 2025, the letter of credit was partially repaid in the amount of USD 199 thousand.
On December 22, 2025, Supplementary Agreement No. 1 was concluded on opening an additional credit limit in the amount of 30,000 thousand US dollars.
On December 22, 2025, the first tranche of the credit limit was received in the amount of USD 4,200 thousand with a repayment period of 3 years.
On December 29, 2025, the second tranche of the loan was received in the amount of USD 11,000 thousand with a repayment period of 3 years.

The principal amount of the letter of credit and loan of Alatau City Bank JSC as of December 31, 2025 amounted to USD 16,394 thousand.

Loan movement

	2025	2024
As of 1 January	**55,492,325**	**42,969,865**
Admission	116,571,701	96,075,978
Repayment of the principal debt	(109,366,312)	(93,253,419)
Interest accrued	4,125,040	3,662,063
Interest paid	(1,780,456)	(1,158,447)
Recalculation of the reporting currency	(1,806,729)	7,196,285
As of 31 December	**63,235,569**	**55,492,325**

23. PROVISIONS

In accordance with environmental legislation, the Group has a legal obligation to reclaim and restore land disturbed by its operations. Provisions represent the discounted value of the estimated costs of mitigating the consequences of subsoil use. The current value of provisions is calculated using discount rates ranging from 6.5% to 9.73%, depending on the reclamation timeframe.

The change in the reserve for reclamation is presented below:

	2025	2024
As of 1 January	**1,779,551**	**2,735,363**
Reserve for the year	**-**	-
Change in estimates (allocated to property, plant and equipment) (Note 12)	(64,634)	(873,898)
Change in estimates (attributed to intangible assets (Note 14)	-	(213,933)
Other changes	(437,836)	(26,533)
Use of the reserve	(21,809)	(34,887)
Amortization of discount	107,109	193,439
	1,362,381	**1,779,551**
Long-term part	1,362,381	1,737,936
Current part	-	41,615

24. EMPLOYEE BENEFIT LIABILITIES

Employee benefit obligations under various plans are payable in accordance with collective bargaining agreements concluded between the Company and employees. As of December 31, obligations under the defined benefit pension plan comprised:

	2025			2024		
	Short-term	**Long-term**	**Total**	**Short-term**	**Long-term**	**Total**
Post-employment benefits	24,045	80,740	104,785	29,955	94,913	124,868
Other long-term employee benefits	14,690	52,574	67,264	16,643	51,257	67,900
Total employee benefit liabilities	**38,735**	**133,314**	**172,049**	**46,598**	**146,170**	**192,768**

The movement in the current value of liabilities for the years ended December 31, 2025 and 2024 is as follows:

	Post-employment benefits	**Other long-term employee benefits**	**Total**
As of December 31, 2023	**87,309**	**69,084**	**156,393**
Amortization of discount	6,276	4,441	10,717
Payments made	(28,048)	(27,148)	(55,196)
Cost of current services	658	1,678	2,336
Actuarial revaluation recognized in other comprehensive income	2,407	-	2,407
Actuarial revaluation recognized in profit or loss for the year	56,266	19,845	76,111
As of December 31, 2024	**124,868**	**67,900**	**192,768**
Amortization of discount	8,611	6,155	14,766
Payments made	(56,037)	(18,702)	(74,739)
Cost of current services	518	1,840	2,358
Actuarial revaluation recognized in other comprehensive income	26,825	-	-
Actuarial revaluation recognized in profit or loss for the year	-	10,071	36,896
As of December 31, 2025	**104,785**	**67,264**	**172,049**

The amortization of the discount is included in finance costs (see Note 10).

The total amounts of defined benefit pension plan and other long-term employee benefit obligations recognized in profit or loss are as follows:

	2025	**2024**
Cost of sales	(48,682)	17,836
General administrative expenses	(13,628)	5,416

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

	2025	**2024**
Adjustment based on experience	33,721	14,040
(Loss)/gain due to revision of demographic assumptions	(2,114)	(5,505)
(Loss)/income resulting from financial assumptions	(4,782)	(6,129)
	26,825	**2,406**

The Group's liability estimates were prepared based on published mortality statistics, as well as actual data on the number, age, gender, and length of service of employees and retirees, and statistics on changes in headcount. Other key assumptions as at the date of the consolidated statement of financial position are as follows:

	2025	2024
Discount rate	15.36%	12.51%
Future salary increases	7.53%	6.02%
Average staff turnover	18.74%	22.05%

The sensitivity analysis of the defined benefit post-employment benefit obligations to changes in key assumptions at December 31, 2024 and 2023 is presented below:

	2025	2024
Discount rate		
20% increase	100,258	119,474
20% decrease	109,897	130,960
Future salary increases		
20% increase		134,727
20% decrease	113,058	119,124
Average turnover rate	99,965	
20% increase		119,474
20% decrease		130,960

25. OTHER TAXES PAYABLE

	December 31 2025	December 31 2024
Income tax withheld at source	223,390	157,934
Personal income tax	89,279	189,274
Social tax	129,218	141,709
Other taxes	132,132	70,488
	574,019	**559,405**

26. TRADE AND OTHER PAYABLES

	December 31 2025	December 31 2024
Trade accounts payable	104,407,574	106,454,685
Reserve for unused vacations	920,547	903,105
Wage arrears	814,947	817,643
Arrears in mandatory pension contributions	292,187	278,059
Other accounts payable	425,233	395,258
Financial instruments included in accounts payable	**106,860,488**	**108,848,750**
Other taxes and mandatory payments payable	-	-
Total	**106,860,488**	**108,848,750**
Non-current	-	672
Current	106,860,488	108,848,078

27. ADVANCES RECEIVED

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

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to the following risks arising from the use of financial instruments:

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

The Group's management bears full responsibility for the organization of the risk management system and supervision of the functioning of this system.

The Group's risk management policy is designed to identify and analyze the risks facing the Group, establish acceptable risk limits and associated control mechanisms, and monitor risks and adherence to established limits. Risk management policies and systems are reviewed regularly and updated when necessary to reflect changes in market conditions and the Group's activitiesD. The Group establishes training and management standards and procedures to create a structured and effective control system in which all employees understand their roles and responsibilities.

The Group's management oversees compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management system in relation to the risks to which the Group is exposed.

Categories and fair values of financial assets and liabilities

	Note	December 31 2025	December 31 2024
Financial assets measured at amortized cost			
Other long-term assets	16	156,889	114,966
Trade receivables	19	31,211,170	29,908,897
Cash	20	4,981,596	6,592,544
		36,349,655	**36,616,407**
Financial liabilities measured at amortized cost			
Dividends payable	21	(98,875)	(92,523)
Loans	22	(63,235,569)	(55,492,325)
Provisions	23	(1,362,381)	(1,779,551)
Lease obligations	13	(48,124)	(70,985)
Trade and other payables	26	(106,860,488)	(108,848,750)
		(171,605,437)	**(166,284,134)**

Fair value

The fair value of financial assets and liabilities approximates their carrying amounts.

Credit risk

Credit risk is the risk that the Group will incur a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk arises primarily from the Group's trade and other receivables, loans issued to related parties, and cash.

The carrying amount of financial assets represents the maximum exposure to credit risk. The maximum exposure to credit risk as of December 31 was:

	Note	December 31 2025	December 31 2024
Other long-term assets	16	156,889	114,966
Trade receivables	19	31,211,170	29,908,897
Cash (less cash on hand)	20	4,958,000	6,571,036
Total		**36,326,059**	**36,594,899**

Trade receivables

The Group's exposure to credit risk depends primarily on the individual characteristics of each customer. This trade receivable relates to customers who pay on an installment plan. The Group continuously monitors its accounts receivable to minimize doubtful debts.

The Group's exposure to credit risk is entirely attributable to customers in Kazakhstan.

In 2025, 34% of the Group's revenue (2024: 36% of revenue) was generated by one (1) customer (2024: one). Dependence on customers is significant, and the potential negative consequences of losing them could be significant.

The Group maintains an allowance for impairment of accounts receivable, which represents an estimate of the expected credit losses. Trade receivables by age as of December 31:

		Total	Percentage expected losses	Impairment
2025	Not expired	31,434,596	1%	223,426
2024	Not expired	30,136,671	1%	227,774

Cash

Cash-related credit risk is monitored and controlled by Group management in accordance with Group policy. Available cash is placed within established limits with banks with Moody's credit ratings ranging from "B1" to "Aa2." This policy is aimed at reducing the concentration of credit risk and minimizing potential financial losses in the event of banks' default on their contractual obligations.

	December 31 2025	December 31 2024
Ratings from "B1" to "B3"	-	2,086,421
Ratings from "Baa1" to "Baa3"	4,316,572	4,343
Ratings from "Ba1" - "Ba2"	11,641,247	4,337,430
Ratings from "A1" to "Aaa3"	-	253,809
no rating	-	3,999
	15,957,819	**6,686,002**

Liquidity risk

The Group manages liquidity risk by monitoring projected cash flows and maintaining a balance between further funding and flexibility through the use of bank loans and the purchase of assets in installments.

Maturities of financial liabilities

The following table provides an analysis of the Group's financial liabilities repayable on a gross basis by relevant groups with maturity dates based on the periods between the reporting date and the contractual maturity dates:

	Less than three months	From three to 12 months	From one to five years	More than five years	Total
2025					
Loans	215,228	45,710,777	17,309,564	-	63,235,569
Dividends payable	98,875	-	-	-	98,875
Lease obligations	-	48,124	64,452	-	112,576
Trade and other payables	1,107,134	105,753,354	-	-	106,860,488
	1,421,237	**151,512,255**	**17,374,016**		**170,307,508**
2024					
Loans	298,904	40,216,346	14,977,075		55,492,325
Dividends payable	92,523	-	-		92,523
Lease obligations	-	70,985	44,727		115,712
Trade and other payables	1,095,702	107,753,048	-		108,848,750
	1,487,129	**148,040,379**	**15,021,802**		**164,549,310**

Borrowings include expected future interest payments calculated based on interest rates in effect at the reporting date. Lease liabilities are presented on an undiscounted gross basis.

Price risk

The Group is exposed to the risk of changes in prices for titanium sponge, titanium ingots and magnesium as a result of changes in market conditions.

Interest rate risk

The Group has financial liabilities that are exposed to changes in market interest rates. Changes in interest rates impact borrowings, influencing future cash flows.

The Group's financial assets and liabilities were exposed to interest rate risk as follows:

	Note	Floating rate	Fixed rate	Interest-free	Total
December 31, 2025					
Other long-term assets	16	-	156,889	-	**156,889**
Trade receivables	19	-	-	31,211,170	**31,211,170**
Cash	20	-	-	4,981,596	**4,981,596**
Total financial assets		**-**	**156,889**	**36,192,766**	**36,349,655**
Loans	22	(63,020,341)	-	(215,228)	**(63,235,569)**
Dividends payable	21	-	-	(98,875)	**(98,875)**
Lease obligations	13	-	-	(112,576)	**(112,576)**
Trade and other payables	26	-	-	(106,860,488)	**(106,860,488)**
Total financial liabilities		**(63,020,341)**	**-**	**(107,287,167)**	**(170,307,508)**
Total net position		**(63,020,341)**	**156,889**	**(71,094,401)**	**(133,957,853)**

	Note	Floating rate	Fixed rate	Interest-free	Total
December 31, 2024					
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)**
Lease obligations	13	-	-	(115,712)	**(115,712)**
Trade and other payables	26	-	-	(108,848,750)	**(108,848,750)**
Total financial liabilities		**(47,390,832)**	**(7,802,589)**	**(109,355,889)**	**(164,549,310)**
Total net position		**(47,390,832)**	**(7,687,623)**	**(72,854,448)**	**(127,932,903)**

Interest accrued on floating-rate loans is based on the relevant base rate, which is equal to the margin amount, market changes, and other events. The interest rate on financial instruments classified as fixed remains unchanged until the instrument's maturity.

Currency risk

Foreign exchange risk arises when future foreign exchange receipts are denominated in a currency that is not the Group's functional currency.

	Tenge	US dollar	Euro	Russian ruble	Other	Total
December 31, 2025						
Other long-term assets	156,889	-	-	-	-	**156,889**
Trade receivables	10,058,482	21,152,688	-	-	-	**31,211,170**
Cash	106,542	4,595,959	328	1,125	277,642	**4,981,596**
Total financial assets	**10,321,913**	**25,748,647**	**328**	**1,125**	**277,642**	**36,349,655**
Loans	-	(63,235,569)	-	-	-	**(63,235,569)**
Dividends payable	(98,875)	-	-	-	-	**(98,875)**
Lease obligations	(48,124)	-	-	-	-	**(48,124)**
Trade payables and other	(4,175,948)	(98,717,907)	(156,766)	(1,595,734)	-	**(104,646,355)**
Total financial liabilities	**(4,322,947)**	**(161,953,476)**	**(156,766)**	**(1,595,734)**	**-**	**(168,028,923)**
Net position	**5,998,966**	**(136,204,829)**	**(156,438)0**	**(1,594,609)**	**277,642**	**(131,679,268)**

	Tenge	US dollar	Euro	Russian ruble	Other	Total
December 31, 2024						
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)**
Lease obligations	(70,985)	-	-	-	-	**(70,985)**
Trade payables and other	(4,248,847)	(100,339,868)	(408,067)	(1,707,319)	-	**(106,704,101)**
Total financial liabilities	**(4,415,355)**	**(155,832,193)**	**(408,067)**	**(1,707,319)**	**-**	(162,362,934)
Total	**3,442,254**	**(127,433,834)**	**(51,932)**	**(1,707,319)**	**4,304**	**(125,746,527)**

The Group is exposed to foreign currency risk primarily with respect to loans and trade payables, as well as trade receivables, denominated in Kazakhstani tenge. This risk arises from purchases and sales transactions in currencies other than the Group's functional currency.

Capital management

The Group's primary capital management objectives are to ensure the security and continued sustainability of its business operations, as well as to maintain an optimal capital structure to maximize returns to shareholders and other stakeholders by reducing the Group's cost of capital. The Group's overall policy remains unchanged from 2024.

29. CONTINGENT AND POTENTIAL LIABILITIES

Contingent tax liabilities in Kazakhstan

Uncertainties in the interpretation of tax legislation

The Group is exposed to uncertainties regarding its tax liabilities. Kazakhstan's tax legislation and practices are continually evolving and are therefore subject to changes and differing interpretations, which may be applied retrospectively.

Management's interpretation of legislation as it applies to the Group's transactions and activities may not coincide with the interpretation of the tax authorities.

As a result, transactions and operations may be challenged by the relevant tax authorities, which in turn may result in the Group being assessed additional taxes, penalties and fines, which could have a material adverse effect on the Group's financial position and results of operations.

Additional taxation period

Tax authorities in Kazakhstan have the right to assess additional taxes for three or five years after the end of the relevant tax period, depending on the taxpayer category or tax period. In certain cases specified by tax legislation, this period may be extended by three years.

Possible additional tax liabilities

Management believes that the Group complies with the tax legislation in force in Kazakhstan, as well as the tax terms of the contracts that affect its activities, and therefore no additional tax liabilities are likely to arise. However, for the reasons stated above, the risk remains that the relevant tax authorities may interpret contractual provisions and tax legislation differently.

This may result in additional tax liabilities. However, due to a number of the aforementioned uncertainties in calculating any potential additional tax liabilities described above, it is not appropriate for management to estimate the financial impact of tax liabilities, if any, or any penalties or fines the Group may be liable for.

Insurance

The insurance market in the Republic of Kazakhstan is still in its infancy, and many forms of insurance common in other countries are generally not yet available in Kazakhstan. Existing insurance coverage does not provide full compensation in the event of significant losses.

Transfer pricing

Transfer pricing controls in Kazakhstan are very broad and apply to many transactions 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 transactions be calculated based on market prices determined at arm's length.

The new transfer pricing law in Kazakhstan came into force on January 1, 2019. The new law is vague, and some of its provisions have little practical application. Furthermore, the law does not provide detailed instructions, which are still under development.

As a result, the application of transfer pricing law to various types of transactions is not clearly defined due to uncertainties. There is a risk that the tax authorities' position may differ from the Group's, which could result in additional taxes, fines, and penalties as of December 31, 2025.

Management believes that as of 31 December 2025, its interpretation of applicable transfer pricing legislation is appropriate and it is probable that the Group's transfer pricing position will be confirmed.

Environmental protection issues

The application of environmental legislation in the Republic of Kazakhstan is evolving, and the position of Kazakh government authorities regarding compliance is periodically reviewed. The Group periodically assesses its liabilities related to environmental pollution. As liabilities are identified, they are immediately recognized in the consolidated financial statements. Following the adoption of the Environmental Code of the Republic of Kazakhstan, liquidation funds were established in 2008, representing special accounts for accumulating funds to carry out land restoration activities and environmental impact monitoring after closure.

The Group's management believes that it currently complies with all existing environmental laws and regulations of the Republic of Kazakhstan. However, Kazakhstan's environmental laws and regulations may change in the future. The Group's management is unable to predict the timing and extent of these changes. If such changes occur, the Group may be required to upgrade its technology to meet higher requirements.

Lawsuits

In the normal course of business, the Group may be subject to legal claims. Management believes that the ultimate liability, if any, arising from such claims or actions will not have a material adverse effect on the Group's financial position and results. As of December 31, 2025, the Group was not involved in any significant legal proceedings.

Capital expenditure commitments

The Group has capital commitments for the acquisition of property, plant and equipment, as well as potential commitments under subsoil use contracts. Mandatory expenditures under subsoil use contracts generally relate to investments in community projects and include the development of social assets, infrastructure, and public utilities. The total amount of capital commitments as of 31 December 2025 amounted to KZT 1,599,297 thousand (2024: KZT 1,027,743 thousand).

30. RELATED PARTY TRANSACTIONS

Related parties include the following:

- Key executives.
- Shareholders
- Associated company.

Management remuneration

Remuneration received by key management personnel is included in salary expenses within general administrative expenses (see note 7) and amounted to KZT 247,044 thousand (2024: KZT 208,767 thousand).

	Shareholders	Associated company
2025		
Acquisitions from related parties	-	(202,407)
Sale to related parties	-	5,059,058
Accounts payable to related parties	98,875	10,040,519
2024		
Acquisitions from related parties	-	(375,310)
Sale to related parties	-	8,814,863
Accounts payable to related parties	92,523	4,507,504

As of December 31, 2025 and 2024, the Group had no provisions for impairment of accounts receivable from related parties. The Group had no impairment expenses for accounts receivable from related parties.

Terms of transactions with related parties

Pricing of related party transactions is determined on an ongoing basis depending on the nature of the transaction and the provisions of transfer pricing law.

31. INFORMATION ABOUT THE GROUP

The consolidated financial statements include the financial statements of the following subsidiaries of the Group:

	Main activity	Country registration	Ownership %	
			2025	2024
Satpayevsk Mining and Processing Plant LLP	Exploration and mining of ilmenite at the Bektemir deposit located in East Kazakhstan	Kazakhstan	100%	100%
UKTMP International Ltd	Sales of titanium sponge and titanium ingots, and also purchased the main raw materials for the Company's production of titanium sponge	United Kingdom	100%	100%

32. MAIN PROVISIONS OF ACCOUNTING POLICY

In preparing the consolidated financial statements, the Group has consistently applied the following significant accounting policies.

Foreign currency transactions

Transactions in foreign currencies are translated into the Group's functional currency at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate ruling at that reporting date. Non-monetary assets and liabilities denominated in foreign currencies and measured at fair value are translated into the functional currency at the exchange rate ruling at the date the fair value was determined, while those measured at historical cost are translated at the date of the transaction. Exchange differences arising on translation at the rate ruling at the date of the transaction, as well as on translation of monetary assets and liabilities at the rate ruling at the reporting date, are recognized in the income statement.

	December 31, 2025	2025 Average	December 31, 2024	2024 Average
US dollar	502.57	521.59	523.54	469.44
Euro	591.68	590.15	545.47	507.86
Pound sterling	679.37	687.92	659.08	600.27
Russian ruble	6.42	6.28	4.99	5.08

Fixed assets

Recognition and accounting

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes costs directly attributable to the acquisition of the asset. The cost of assets manufactured or constructed internally includes the cost of materials and direct labor, any other costs directly associated with bringing the asset into working condition for its intended use, as well as the costs of dismantling and removing items and restoring the site on which they are located, and capitalized borrowing costs. Acquired software that is integral to the functionality of the related equipment is capitalized as part of the cost of that equipment.

If an item of fixed asset consists of separate components that have different useful lives, each of them is accounted for as a separate item (major component) of fixed asset.

Any gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from its disposal with its carrying amount and is recognized on a net basis in the line “other income” or “other expenses” as part of net income or loss.

Subsequent costs

Costs associated with replacing a part (or significant component) of a property, plant and equipment item increase the carrying amount of that item if it is probable that the Group will receive future economic benefits associated with that part and its cost can be measured reliably. The carrying amount of the replaced part is written off. Expenses for routine repairs and maintenance of property, plant and equipment items are recognized in income and expenses as incurred.

Depreciation

Depreciation is calculated using the straight-line method over the asset's expected useful life to its residual value. Expected useful lives of fixed assets:

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

Depreciation on fixed metallurgical equipment is calculated using the production method to write off the actual cost of fixed assets less their liquidation value.

The expected useful lives and residual values of property, plant and equipment are analysed as of each reporting date.

Intangible assets

Subsurface use rights are measured at cost less accumulated depreciation and impairment losses. The acquisition cost of subsurface use rights includes the cost of the subsurface use rights and capitalized expenses. Other intangible assets acquired by the Group and with finite useful lives are stated at cost less accumulated depreciation and impairment losses. Subsequent expenditure is capitalized to the cost of a specific asset only if it increases the future economic benefits embodied in that asset.

Depreciation

The expected useful lives of intangible assets for the current and comparative periods were as follows:

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

Depreciation is charged on a straight-line basis over the entire useful life.

Investments in Joint Ventures and Associates

Investments in joint ventures and associates are accounted for using the equity method. Under the equity method, investments in joint ventures and associates are initially recognized at cost. The carrying amount of the investments is subsequently increased or decreased to reflect the Group's share of post-acquisition changes in the net assets of the joint ventures and associates.

The consolidated statement of income reflects the Group's share of the financial results of its joint ventures and associates. In addition, if there has been a change directly recognized in the equity of a joint venture or associate, the Group recognizes its share of such change and discloses this fact, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses arising from transactions between the Group and its joint ventures and associates are eliminated to the extent of its interest in the joint venture or associate.

The financial statements of joint ventures and associates are prepared for the same reporting period as the Group's financial statements. Where necessary, adjustments are made to ensure that the accounting policies are consistent with those of the Group.

Upon loss of significant influence over a joint venture or associate, the Group measures and recognizes its retained investment at fair value. Any difference between the carrying amount of the investment in the joint venture or associate upon loss of significant influence or joint control and the fair value of the retained investment, and proceeds from disposal, is recognized in profit or loss.

Impairment

The carrying value of long-lived assets is analyzed for impairment when events or changes in circumstances indicate that their carrying value may not be recoverable. If there are indicators of impairment, an assessment is made to determine whether the assets' carrying value exceeds their recoverable amount. This analysis is performed separately for each asset, with the exception of assets that do not generate cash on their own. In these cases, the analysis is performed at the cash-generating unit level.

When the carrying value of an asset or cash-generating unit exceeds its recoverable amount, a reserve is created to reflect the asset at the lower value. Reversals of impairment losses are recognized in income and expenses.

Calculation of the amount to be reimbursed

An asset's recoverable amount is determined as the higher of its value in use and its fair value less costs to sell. When assessing an asset's value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The recoverable amount of assets that do not independently generate cash flows is determined as part of the recoverable amount of the cash-generating unit to which the assets belong.

Reversal of impairment losses

A previously recognized impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had the impairment loss not been recognized.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost of inventories is determined using the FIFO method and includes the costs of acquiring the inventory, producing or processing it, and the costs of delivering it to its current location and bringing it to its present condition. Net realizable value is the estimated selling price of inventory in the ordinary course of business, less the estimated costs of completing the production of the inventory and selling it.

Cash

Cash includes cash at banks available on demand and subject to an insignificant risk of changes in value, and cash on hand.

Loans

Loans are initially recognized at the fair value of the proceeds received, less directly attributable transaction costs. After initial recognition, loans are measured at amortized cost using the effective interest method.

Leases

The Group as a lessee

At inception of a lease, the Group assesses whether the contract, in whole or in part, constitutes a lease. The Group recognizes the right-of-use asset and the corresponding lease liability for all leases except short-term leases and leases of low-value assets. For such leases, the Group recognizes lease payments as operating expenses on a straight-line basis over the lease term.

The lease liability is recognized at the present value of the lease payments using the incremental borrowing rate. After the commencement of the lease, the carrying amount of the lease liability is increased to reflect the unwinding of the discount and decreased by the amount of lease payments made. In addition, the Group remeasures the lease liability to reflect lease modifications.

The right-of-use asset is recognized at cost, which includes the associated lease liability, lease payments made at or before the commencement of the lease, and less direct costs associated with arranging the lease. After the commencement of the lease, the right-of-use asset is measured at cost less accrued depreciation and impairment.

Variable payments that do not depend on any rate or index are excluded from the initial measurement of the lease liability and the corresponding right-of-use asset. Such payments are recognized as operating expenses in the period in which the condition or event that triggers these payments occurs.

For leases containing one or more non-lease components, the Group does not separate the non-lease components and accounts for them as a single lease.

The Group as a lessor

The Group, as a lessor, enters into leases for buildings. If the terms of the lease do not transfer substantially all the risks and rewards to the lessee, the lease is classified as an operating lease.

Rental income from operating leases is recognized on a straight-line basis over the lease term. Initial direct costs associated with arranging an operating lease are included in the cost of the leased asset and are amortized over the lease term.

Provisions

Provisions are recognized when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and a reasonable estimate can be made of the amount. If the effect of the time value of money is material, provisions are calculated by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

If discounting is used, the increase in the provision amount over time is recognized as a finance cost. Over time, the discounted provision is increased (decreased) by the change in the present value based on discount rates that reflect current market valuations and the risks specific to the liability. When a provision is created, the corresponding asset is capitalized if future economic benefits are expected from its use and is depreciated using the unit-of-production method.

Reserve for reclamation

A provision for restoration is recognized when the related liabilities are probable and their amounts can be reasonably estimated. Restoration costs include the costs of dismantling or demolishing infrastructure, environmental cleanup, and emissions monitoring.

A provision for estimated reclamation costs is created and charged to the cost of fixed assets in the reporting period in which the liability arising from the corresponding waste generation event arises, based on the net present value of the estimated future costs. The reclamation provision does not include any additional liabilities expected to arise due to violations or future damage.

Cost estimates are based on the reclamation plan. Cost estimates are calculated annually as operations progress, taking into account known changes, such as updated estimates and revised asset lifespans or established operating periods, with formal reviews conducted on a regular basis.

Although the exact final cost of the required expenditure is unknown, the Group estimates its costs based on feasibility studies and engineering studies in accordance with current technical rules and regulations for reclamation work. Any changes in restoration costs or assumptions will be recognized as increases or decreases to the related asset and provisions when they arise.

Long-term employee benefits

The Group offers its employees post-employment benefits (lump sum benefits upon retirement, funeral benefits for pensioners) and other long-term employee benefits (provision of financial assistance to employees in case of incapacity for work, on the occasion of anniversaries and death) in accordance with the provisions of the collective agreement.

Entitlement to post-employment benefits is generally based on the employee's remaining service until retirement and whether the employee has completed a minimum period of service.

Post-employment benefits are unfunded defined benefit plans and are measured in accordance with the revised IAS 19 "Employee Benefits." The actuarial and investment risks for unfunded defined benefit plans are borne by the Group.

When valuing unfunded defined benefit pension plans, the amount of benefits due to employees for service rendered in the current and prior periods is initially determined, and actuarial assumptions are made. The discounted value of the defined benefit plan obligation and the current service cost are then determined using the projected unit credit method.

The amount of amortisation or 'unwinding' of the discount used in determining the net present value of provisions is recognised as part of finance costs for the period.

The Group recognises in profit or loss:

- cost of services rendered in the current period;
- the cost of any past service and the gain or loss arising in settling the plan obligations;
- net interest on the defined benefit plan obligation.

The Group recognises actuarial gains or losses on the remeasurement of the net liability for post-employment employee benefits in other comprehensive income.

Eligibility for other long-term employee benefits is subject to the employee's minimum service period. Other long-term employee benefits are valued over the employee's working life using the same methodology used for unfunded defined benefit pension plans. For other long-term employee benefits, the Group recognizes current and past service cost, net interest on the net liability, and actuarial gains and losses (remeasurement of the net liability) in profit or loss. Actuarial gains and losses include both the effect of changes in actuarial assumptions and the effect of past experience of differences between actuarial assumptions and actual results.

Actuarial assumptions include demographic assumptions (employee mortality rates, turnover rates, disability rates, and early retirement rates) and financial assumptions (discount rate, future salary levels, and benefit levels). The most significant assumptions used in accounting for defined benefit pension plans and other long-term benefit plans are the discount rate, future salary levels, and average turnover rate. The discount rate is used to determine the present value of future liabilities, and each year the unwinding of the discount on such liabilities is charged to the profit or loss account for the year as interest expense. The Group uses market yield rates on government bonds with similar terms as its discount rates.

Such liabilities are valued annually by independent qualified actuaries.

The Group recognises financial assets and liabilities in the statement of financial position when it becomes a party to the instrument.

Pension obligations

On behalf of its employees, the Group pays pension and severance benefits as required by the legal requirements of the Republic of Kazakhstan. Such payments are expensed as incurred. Upon retirement, the Group's financial obligations cease, and all subsequent payments to retired employees are made by the unified accumulative pension fund.

Revenue

At the time of entering into a contract for the sale of goods, the Group assesses the assets promised under the contract with the customer and identifies as a performance obligation each promise to transfer to the customer an asset that is distinct, or a series of distinct assets that are substantially the same and are transferred to the customer under the same arrangement.

Sale of goods

Revenue from the sale of goods is recognized when control passes to the buyer. This transfer occurs when the goods are delivered to the buyer's warehouse, the risk of impairment and loss of the goods has passed to the buyer, the goods have been accepted in accordance with the contractual terms, and cannot be returned by the buyer.

Accounts receivable are recognized when the goods are delivered to the buyer's warehouse, since at this point in time the sale is considered unconditional and compensation must be received after a certain period of time.

Financing component

The Group has no contracts where the period between the sale of goods and services and payment exceeds one year. As a result, the sales price is not adjusted for the time value of money.

Financial income

Finance income includes interest income on invested funds. Interest income is recognized as it accrues and is calculated using the effective interest method.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. All other borrowing costs are recognised in profit or loss as incurred.

Income tax expenses

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in income and expenses, except for the portion related to transactions recognized in equity, in which case it is also recognized in equity.

Current income tax is the amount of tax payable on taxable income for the year, plus any adjustments to the amount of income tax liability for prior years.

Deferred tax is determined using the balance sheet method by identifying temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the asset can be applied. The amount of deferred tax assets is reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities and if the deferred taxes relate to the same taxable item and the same tax authority.

Financial instruments

Financial assets

Initial recognition and assessment

Financial assets within the scope of IFRS 9 are classified as financial assets measured at amortized cost, at fair value through profit or loss, or at fair value through other comprehensive income, respectively. The Group classifies financial assets at initial recognition based on the business model for managing the financial assets and contractual cash flow obligations.

A financial asset is classified and measured at amortized cost or fair value through other comprehensive income if the contractual terms of the asset give rise to cash flows that are "solely payments of principal and interest" on the principal amount outstanding. Financial assets whose cash flows do not meet the "cash flow" criterion are classified as measured at fair value through profit or loss, regardless of the business model.

Upon initial recognition, financial assets are measured at fair value, which is the consideration received plus any directly attributable transaction costs. Any gain or loss on initial recognition is recognized in the statement of income and other comprehensive income.

Follow-up assessment

Financial assets classified at amortized cost are accounted for using the effective interest method (EIR). Amortized cost is calculated taking into account any discounts or premiums, as well as acquisition fees. Any difference between the nominal value and the amortized cost is recognized in the statement of income and other comprehensive income as finance income.

Financial assets at fair value through profit or loss are carried in the statement of financial position at their fair value, with net changes in their fair value recognised in the statement of income and other comprehensive income.

Derecognition

A financial asset is derecognized when the Group loses control of the rights under the contract that includes the asset. This occurs when the rights are exercised, expire, or transferred.

Impairment of financial assets

The Group estimates expected credit losses (ECLs) that may arise from financial assets measured at amortized cost. This estimate includes the likelihood of events that will result in the counterparty failing to pay its contractual obligations.

Expected credit losses are calculated for events that are possible over the life of financial assets carried at amortized cost. In cases where receivables are not carried at amortized cost and there has been no significant change in the credit risk of the financial asset since initial recognition, expected credit losses are calculated for events that are possible within 12 months of the reporting date.

Financial obligations

Initial recognition and assessment

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss and financial liabilities at amortized cost, respectively. The Group determines the classification of its financial liabilities at their initial recognition.

All financial liabilities are initially recognized at fair value, which is the consideration paid. Financial liabilities measured at amortized cost include directly attributable transaction costs.

Follow-up assessment

Trade and other payables are measured at amortized cost using the EIR method. Amortized cost is calculated taking into account any discounts or premiums, as well as acquisition fees. The amortization of the difference between the face value and the amortized value is recognized in the statement of income and other comprehensive income as finance costs.

Financial liabilities at fair value through profit or loss are carried in the statement of financial position at their fair value, with net changes in their fair value recognised in the statement of income and other comprehensive income.

Derecognition

A financial liability is derecognized when the liability is extinguished, cancelled, or expires. If an existing financial liability is replaced by another liability on substantially different terms, or if the terms of an existing liability are substantially modified, such an exchange or modification is accounted for as a derecognition of the original liability and the recognition of a new liability, and the difference in their carrying amounts is recognized in the statement of income and other comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only when there is an enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

At each reporting date, the fair value of financial instruments traded in an active market is determined based on quoted prices, without adjustment for transaction costs. The fair value of financial assets not traded in an active market is determined using appropriate valuation techniques. Such techniques may include the use of recent market transactions, the current fair value of a substantially similar instrument, discounted cash flows, and other valuation techniques.

33. EVENTS AFTER THE REPORTING DATE

The Company has no events that occurred before the date of authorization of the financial statements that would require adjustment or disclosure in the notes to the financial statements.