

IRON WILL

ANNUAL REPORT & ACCOUNTS 2025

THE VALUE OF BEING AGILE IN 2025

Ferrexpo is a leading European producer and supplier of a variety of premium grade iron ore products that are enabling the transition to green steel. Our products are important to Ukraine and to our customers around the world.

At home, we are determined to remain strong, so that we can protect our people and our assets and make a meaningful contribution to Ukrainian society and the economy.

Despite ongoing challenges, we continue to operate responsibly and reliably, maintaining supply to our global customers while supporting the long-term sustainability of our business and the communities in which we operate.

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AT A GLANCE

WHAT WE DO

We are a vertically integrated producer and supplier of premium grade iron ore products. Our long-life deposits feed ore to our modern processing and beneficiation plants to produce a variety of premium grade iron ore products, including iron ore pellets, pellet feeds, and concentrates, which we can deliver to customers by rail, barge or sea.



PURPOSE AND VALUES

Our purpose is to deliver value to our stakeholders by producing and marketing premium grade iron ore products in a socially responsible and sustainable manner. We are focused on taking an ethical approach to our business, strong corporate governance, and positive relationships with all our stakeholders.



STRATEGIC DIRECTION

The war has taught us to be more innovative, flexible, and adaptive to the many challenges that we face. Our focus is on the safety and wellbeing of our people, whilst preserving the integrity of our assets. We also consider our longer-term strategic direction so that we can maintain stability and resilience.



2025 HIGHLIGHTS

+6MT

Production and sales for the second year in a row

US\$28M

Positive EBITDA

US\$64M

Taxes and royalties paid in Ukraine

US\$49M

Capital investment

0.38

LTIFR

US\$29M

Humanitarian aid and CSR spending since February 2022

WE ARE RESPONDING

BY INVESTING IN NEW FACILITIES
TO EXPAND OUR PRODUCT MIX

+65%

FE CONTENT IN ALL OUR PRODUCTS



WE ARE

DIVERSIFYING

REACHING NEW CUSTOMERS
IN NEW GEOGRAPHIES

5 new customers

PRODUCTS SOLD TO CUSTOMERS IN 10 COUNTRIES IN 2025



WE ARE

INNOVATING

INVESTING IN PREMIUM PRODUCTS AND CUSTOMISATION
TO DRIVE FUTURE GROWTH AND DECARBONISATION

-37%

REDUCTION IN CO₂ EMISSIONS IN STEELMAKING
USING FERREXPO FDP PELLETS

INTERIM EXECUTIVE CHAIR'S LETTER

This year saw the Group face increasing external challenges which have hindered our ability to operate and generate the socio-economic contributions we provide for our people and Ukraine.



Lucio Genovese
Interim Executive Chair,
Ferrexpo Plc

“
Despite us demonstrating great operational agility, the withheld VAT refunds and power related issues have had a major impact on our finances and ability to ramp up operations to profitable levels.
”

Dear Shareholder,

It continues to take an iron will to operate a business through the war in Ukraine. That will be first and foremost represented by the resilience of our workforce.

Over the last four years our business has demonstrated new-found levels of agility, resulting in adaptive responses to existing, and new challenges. These remarkable responses are down to the ardour and readiness of everyone involved to keep going.

This year saw the Group face increasing external challenges which have hindered our ability to operate and generate the socio-economic contributions we provide for our people and Ukraine.

For Ferrexpo these challenges were exacerbated by the decision by tax authorities to withhold VAT refunds during the year, putting pressure on our working capital availability and ultimately forcing us to reduce our pellet line capacity from the 50% capacity we were achieving early in the year down to 25%.

Towards year end, numerous attacks on the country's energy infrastructure, coupled with lack of availability of port and other infrastructure placed even further challenges in front of us. The resulting rise in electricity prices and lack of export availability forced us to shut down operations completely for a period of time.

Despite all of this, the Company continues to support its people, employ the workforce, and support those serving in, and returning from the war.

WAR

24 February 2026 marked the anniversary date of war in Ukraine entering its fifth year. This is now the longest war on European soil since the Second World War, which ended more than 80 years ago. These dates are not statistics, they are part of a human chronology. This is the reality for the near 38 million people living in Ukraine, and more than 55,000 people living in the wider Horishni Plavni region, a city and region built upon and dependent on our operations and activities.

It is with profound sadness that I reflect on the continuing human cost of the war for our people and our communities. As at the end of 2025, a total of 56 of our colleagues have been killed since February 2022. Since then, and as at the date of this report, a further 12 colleagues have lost their lives in defence of Ukraine, bringing the total to 68.

Each of these deaths is a deeply personal tragedy. Behind every number is a valued colleague, family member, friend and a member of the wider Ferrexpo community. Their loss is felt deeply across Horishni Plavni and the surrounding communities, as well as by those who worked alongside them. Each time we learn that another colleague has been killed, it brings a moment of profound grief and reflection. We honour the memory of those we have lost and extend our heartfelt condolences to their families, loved ones and all those affected.

At the time of the publication of this report, there are 814 colleagues actively serving in the Armed Forces of Ukraine. This is more than at any point since the full-scale invasion of Ukraine began. By the end of 2025, 207 colleagues had been discharged, of whom over half were fit and ready to return to work as alumni of the Ferrexpo Veterans rehabilitation programme. Discharge, however, does not necessarily mean a permanent end of service. I am aware of seven colleagues who have been remobilised, either out of choice or by demand. I am also aware that whilst the vast majority of colleagues serving in the Armed Forces of Ukraine are men, there are eight female colleagues who are currently serving. Exceptionally, these brave women are all volunteers, defending Ukraine in diverse roles, from working in military headquarters to combat mission on the front lines. We acknowledge every one of our people who is serving, or has served in the Ukrainian Armed Forces, and I wish to salute and honour this small cohort of brave women.

This also reminds me of an important factor that is less well understood in Western Europe. As my fellow Board member, Fiona MacAulay explains in her Q&A in this report, the most important thing that we can do during a time of war is to continue to operate. She notes that at the start of the full-scale invasion of Ukraine, our people wanted to stay and wanted to continue working.

This continues to remain vitally important, because as she says, it not only keeps Ferrexpo relevant, and ensures sustainable livelihoods and communities, but also, it means that we are part of the rear that helps to sustain the front. There is no front without the hard work and energy that our employees endure to provide fiscal, social and humanitarian contributions.

We mourn the passing of all our colleagues, and we pray for the safe return of the 814 colleagues who are currently serving in the Armed Forces of Ukraine.

VAT

As the war continued the domestic challenges facing businesses in Ukraine intensified. Throughout the year, Ukraine's public finances remained under significant pressure, with the State Budget running a deficit of approximately 18.3% of GDP as of 31 December 2025. One way that government has sought to plug this fiscal hole is by withholding VAT refunds to many Ukrainian businesses, including Ferrexpo.

In March 2025, we received the first of several unexpected notifications from the Ukrainian tax authorities of a decision to suspend the refund of VAT for the month of January 2025 for FPM and FYM. Unfortunately, the withholding of VAT refunds continued throughout all of 2025 and remains ongoing to the present day. As at 30 June 2026, the Group's net VAT receivable balance in Ukraine was over US\$88 million.

The explanation provided by the tax authorities for the suspension relates to the imposition of personal sanctions on Kostiantyn Zhevago. Because the sanctions are personal in nature to Mr Zhevago and have not been imposed directly on the Group or any of its subsidiaries, our view, and the court's, is that they should not be used as an instrument to place financial pressure on Ferrexpo.

This decision to withhold the VAT refunds we are entitled to receive has had a severe impact on our business, our people and the broader communities. In response to the foreseeable reduction in our available liquidity, in April we were forced to move quickly to downscale production and cut costs. It is regrettable that we have had to place people on reduced working hours or furlough.

We also implemented programmes to optimise stripping rates, repairs and maintenance, and reduce non-essential spending across the business, including capital expenditure, corporate and social responsibility activities, and humanitarian funding.

In their own words, throughout this report, I have directed my fellow Board members to discuss the full impact of VAT refunds in detail so that shareholders can fully understand how various parts of the business are being affected by the Ukrainian tax authority's decision. It is also important to understand that we have been proactive in our efforts to recover VAT with the relevant authorities, government ministries, business associations and international stakeholders, as well as in the Ukrainian courts, but have so far been unsuccessful.

ENERGY

Outside of attacks on energy infrastructure in late 2022 that caused a period of suspended operations, the availability of power for the past three years has mostly been reliable and sufficient for Ferrexpo, albeit at higher costs due to the import of up to 80% of electricity from European neighbours.

This changed towards the end of 2025 when a higher intensity and frequency of attacks on Ukraine's energy generation and transmission infrastructure returned. And so, in November 2025 we were once again forced to temporarily suspend production. Despite a brief restart following speedy repairs, further attacks in December and again in January 2026, meant we were forced to suspend production yet again.

My colleague, Viktor Lotous, explains this issue in more detail in the Operational Review section of this report. And for my part, I am pleased to report that at the time of the publication of this report, Viktor and his dedicated team have been successful in bringing production back online.

LIQUIDITY AND CASH

Despite us taking all the necessary actions to mitigate the situation, the withheld VAT refunds and power-related issues have had a major impact on our finances. We opened 2025 with a cash position of US\$106 million and started the year on a strong operational footing. The first quarter of 2025 recorded our best quarterly production since the full-scale invasion of Ukraine, once again down to the resilience and fortitude of our brave workforce, an increase in production of high-grade concentrates – sold to customers in Asia – and stable production of Ferrexpo premium pellets.

“

2025 was a year of survival within an increasingly difficult environment, not only due to the war, but because of the specific circumstances Ferrexpo has been confronted with in Ukraine.

”

However, we could not continue at this record war time pace given the penalties associated with the refusal of VAT refunds. By the end of June 2025, our cash position had fallen to US\$52 million, a level that due to the efficiencies and cost-cutting measures was largely maintained with US\$58 million at the year-end.

The situation has been devastating to our business, and has also, indirectly, caused harm to a broader set of stakeholders. Employees, communities, suppliers, and paradoxically the tax authorities, all received lower contributions from Ferrexpo in 2025. Our calculations in April 2025 suggested a broader US\$180 million was lost from our socio-economic contributions to Ukraine. Our CFO Nikolay Kladiev discusses this in more detail in his statement and Q&A introduction to the Financial Review section of this report.

At the date of the publication of this report, in order to strengthen the Group's working capital position and fund its ongoing operations, the Company intends to launch alongside the publication of this report an equity capital raise to raise gross proceeds of approximately US\$100 million through a conditional placing and conditional subscription of new Ordinary Shares, which is still conditional on the relevant resolutions being passed by the shareholders of Ferrexpo plc.



THANKS

2025 was a year of survival within an increasingly difficult environment, not only due to the war but because of the specific challenges Ferrexpo has been confronted with within Ukraine.

I am grateful to every colleague for their unwavering resilience. I am also grateful for the support of our shareholders through these challenging times. As we follow political developments in Ukraine and abroad, we remain hopeful that an end to the war is near. Our business is very different today from what it was before the full-scale invasion and I am hopeful these new levels of agility and our even stronger bond with the community will serve us well in a post-war environment. We must continue to work to keep our people safe, whilst we continue our efforts to recover withheld VAT refunds and ensure the integrity of our assets.

Lucio Genovese
Interim Executive Chair,
Ferrexpo Plc

6.6MT

Customer sales
in 2025

Agile decision-making that helps strengthen Ferrexpo

Nominations Committee



Raffaele Lucio Genovese
Interim Executive Chair

 [Find out more on page 158](#)

The role of the Nominations Committee is to assist the Board in regularly reviewing its composition and those of its committees, to lead the process for Board appointments, and ensure effective succession planning for the Board and senior management.

Audit Committee



Stuart Brown
Independent Non-executive Director

 [Find out more on page 146](#)

The Audit Committee oversees financial reporting, internal controls, and audit-related matters. Its role is defined in the Company's Audit Committee Terms of Reference, which outline its responsibilities in line with UK corporate governance expectations.

Remuneration Committee



Fiona MacAulay
Senior Independent Non-executive Director

 [Find out more on page 163](#)

The Remuneration Committee establishes and maintains, on behalf of the Board, a policy on executive remuneration to deliver the Company's strategy and value for shareholders; to agree, monitor and report on the remuneration of Directors and senior executives; and to review wider workforce remuneration and other policies in accordance with the UK Corporate Governance Code.



Strategic report



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Rising to a new financial challenge

Throughout 2025, the economic costs of war continued to weigh heavily on our business, coupled with the cyclical dynamics of the global iron ore and steel industry in which we operate. However, ranked above these challenges, was the pressure brought on by the Ukrainian tax authorities decision to withhold US\$61 million of VAT refunds over the course of the financial year, forcing a significant reshaping of our business.



“
In my day-to-day interactions, from the Board, to colleagues on the ground, the resolve to address our challenges is iron-willed.
”

Dear Stakeholder,

We started the year on a strong footing. We ramped up production, targeting a blended sales mix of iron ore pellets, complemented by a surge in concentrate sales to Asia. A strategy aimed at achieving an economies-of-scale benefit on unit costs as we spread out our fixed overheads.

This strategy showed early signs of success. By the end of February, working capital was starting to improve and there were signs we could consider adding even more capacity. It felt as if we had found an optimal structure to operate during wartime, having honed our ability to be nimble and respond quickly to changes in our customer demands, pivoting to multiple products, for different markets, depending on demand.

This all came to a halt in March, when we received notice from the Ukrainian tax authorities that they would not be refunding the US\$12.5 million of VAT owed to our two major Ukrainian operating subsidiaries, FPM and FYM, for the month of January. Everything changed. Concerned that VAT refunds for subsequent months could also be withheld, we set out with urgency to immediately develop a production and sales plan for a downscaled business to preserve cash and secure our business.

This was a complex challenge, something we have become used to overcoming. Requiring iterations of analysis for everything, from determining which parts of the orebody to focus on, with the appropriate availability of equipment, repairs and maintenance schedules, all the way to identifying the optimal products and customer sales to maximise for quicker payment terms and a shorter cash cycle.

In addition, end-to-end profitability analysis and the diligent allocation of a reducing cash balance were critical – made even more challenging by the fact that our business drivers were changing on an almost daily basis, amidst ongoing attacks on Ukraine's energy and logistics infrastructure.

Several rounds of cost cutting were implemented. Decisions to cut non-essential capital expenditure were easily made, though the decision to place part of our workforce on furlough or reduced hours was not made lightly. I am deeply grateful to colleagues for their understanding and commitment.

The effects of these actions started to show through in the second half of 2025. C1 and C4 cash cost of production improved 4% and 5% respectively compared to the first half of the year – though this comparison is not wholly accurate because we were forced to temporarily halt production at various times in November and December.

Indeed, it is fair to say that the financial results for 2025 are not directly comparable with the previous year. Even prior to the impact of the tax decision, our decision to sell more concentrates in response to weak demand for iron ore pellets in European markets affected certain Group financial metrics and ratios, given the lower price and profitability of a concentrate product. In this business, it is not just about achieving premium pricing, but also volumes.

Overall, the Group's underlying EBITDA remained positive at US\$28 million in 2025 though down from US\$69 million in 2024, compared to losses of US\$224 million and US\$50 million in those two years. This decline, besides lower production levels, was also driven by lower operating profit margins, coupled with lower realised prices and later, the impact of the adjusted production plan and power curtailments. The effect from the lower realised prices could not be offset by the savings from C1 and C4 cash cost of production and the further cost-cutting measures initiated by the Group after the first quarter of 2025.

For 2025, the Group reported a net loss of US\$224 million. This, however, is largely due to the total impairment loss of US\$154 million on the Group's non-current operating assets, which was recorded as at 30 June 2025. The impairment primarily resulted from the impact of the withheld VAT refunds, which had to be adequately reflected in the Group's long-term models used for the impairment tests. The suspension of VAT refunds reduces the Group's expected cash flow generation and thus affects the timing of any potential return to pre-war production and sales levels after the war ends.

Capital expenditure totalled US\$49 million for 2025, significantly lower than US\$102 million in the prior year as we took action to only focus on essential expenditure. This helped to preserve cash. The Group ended 2025, effectively with no debt and a net cash position of US\$47 million, holding close to the US\$50 million reported in the interim results, though lower than the US\$101 million at the end of 2024.

I would like to express my sincere gratitude to all colleagues across our business for their extraordinary commitment throughout the year and on into 2026, often working through rolling black outs with limited heating, yet continuing to perform their duties diligently.

Thank you. Slava Ukraini.

Nikolay Kladiev
Group Chief Financial Officer

MARKET REVIEW

Continued access to Ukrainian Black Sea ports for most of 2025 enabled us to expand our seaborne sales of premium-grade concentrates to customers in Asia, offsetting weakness in our traditional European pellet market.

A portrait of Yaroslavna Blonska, a woman with blonde hair, wearing a dark blue pinstriped high-neck top, sitting in a light-colored leather chair. The background is a plain, light grey wall.

Yaroslavna Blonska

Acting Group Chief Marketing Officer

Q&A

“
I am proud of how the marketing team developed new opportunities to increase our sales of premium grade concentrates.
”



YOU LEAD THE MARKETING FUNCTION AT FERREXPO, BUT YOU ARE ALSO AN EXECUTIVE COMMITTEE MEMBER SO YOU HAVE VISIBILITY ACROSS THE WHOLE BUSINESS. WHAT ARE THE COMPETITIVE ADVANTAGES THAT YOU BRING AND HOW DO THEY TIE WITH THE BROADER BUSINESS?

The competitive advantages from a sales and marketing perspective are clear. We can distribute our products through multi-modal logistics channels, including an owned rail and barge fleet, and onwards by seaborne charter anywhere in the world. That flexibility is quite unique, especially for our European customers. We are also closer to growth markets in Europe and MENA than our global peers. Moreover, by producing a basket of premium grade iron ore products, we are uniquely positioned to respond flexibly to shifting market dynamics and to supply into pockets of demand arbitrage. We are not tied to a standard product that we produce at scale, instead, we operate at the high-end of the iron ore market, where demand is forecast to outpace the lower-quality iron ore producers. This means that we can better serve our customers, particularly because our products help them improve efficiency in steelmaking and, eventually, will help them to lower emissions.



HOW DOES THIS TIE TO OTHER PARTS OF THE BUSINESS?

That's simple. One of our major competitive advantages is our orebody. We are blessed with a large magnetite orebody. In my mind, this is a superior quality of iron ore because it is more suitable for processing into premium iron ore products such as DR pellets. Also, our processing operations are large in scale and well established. There has been a lot of chatter in 2025 about new high-grade large-scale iron ore mines that started production recently, but the ore is not magnetite, it is hematite, which is much harder to process into pellets, but also, the capital costs of developing a pelletising operation are huge. Our operations have been going on for over 50 years, and the capital is already sunk. From mine to customer, Ferrexpo has exceptional and unique competitive advantages.



DIVERSIFICATION SEEMS A STRONG THEME FOR THE MARKETING FUNCTION IN 2025, BOTH BY CUSTOMERS AND PRODUCTS. HOW DID YOU DIVERSIFY THE CUSTOMER BASE?

Yes, diversification is very much a theme that defines our work. But first and foremost, I must stress that we are here to supply our traditional, long-standing customers, especially those in eastern and central Europe close to our operations. It is through these customers that Ferrexpo is tied to European value chains, many of which, such as the automotive industry, are critical European industries. But, yes, it is true that we diversified our customer base. This was mostly in two forms. First, we supplied a lot of customers in Asia, old and new. And second, we increasingly sold to large commodity trading groups.

19

Capesize vessels loaded
(2024: 7)

2.9MT

Premium concentrate sales
(2024: 0.8Mt)

+5

Number of new customers



YOU ALSO DIVERSIFIED YOUR PRODUCT MIX, SELLING MORE IRON ORE CONCENTRATE AND PELLET FEED THAN EVER BEFORE. WHY?

Clearly, the iron ore pellet market was challenging in 2025. Additional supply from Brazil into an already oversupplied market, weak demand in Europe and very low pellet premiums on top of a lower Fe indexes. As a business, we must adapt to market conditions, and so diversification of our premium product mix was crucial.

In 2025, concentrate sales of 2.9 million tonnes represented 44% of our sales mix, a record for our business. I am proud of how the marketing team developed new opportunities to increase our sales of premium grade concentrates, in particular, switching from pellet to 67% Fe pellet feed sales to new customers in Asia. We responded quickly to market conditions. I think we made the best out of a difficult situation.

Looking forward, we will continue to flex our premium product mix to market opportunities. Indeed, I see good demand ahead for pellet feed, especially in the MENA region.



TOWARDS THE END OF 2023 ACCESS TO UKRAINIAN BLACK SEA PORTS WAS RESTORED AND IN FEBRUARY 2024 THE FIRST VESSEL WITH A FERREXPO CARGO SET SAIL FOR CHINA. HOW DID THE SHIPPING MARKET EVOLVE FOR YOU IN 2025?

Although access was restored, the premium on the C3 route from Ukraine to China remained quite high throughout 2024. However, in late-2024 this fell and narrowed significantly. In 2025, rates were much better. Indeed, I would characterise this year as being quite stable in terms of the premiums we pay.

“

Communicating with customers allows my team to be their voice inside Ferrexpo, ensuring that we can respond to their needs and evolving market trends.

”

The ports have been busier in 2025, in part due to Ukraine's need to import more coal, so this has increased vessel liquidity and at times resulted in better rates as shipowners accept ballast discounts. We still continue to pay a premium for war risk insurance and crew bonuses, but that has not increased significantly, even despite the constant attacks that the region has endured towards the end of 2025 and into 2026.

All this was to our benefit because the pivot to concentrate sales to Asia demanded more capesize vessels. Indeed, we significantly improved our internal chartering performance during the year, fixing 12 more capesize vessels bringing the total to 19.



AS THE HEAD OF THE SALES AND MARKETING DEPARTMENT, WHAT WORRIES YOU THE MOST?

The team and I are frequently on the road, meeting with our customers, old and new. As I said in last year's report, communicating with customers to understand their concerns and needs is important. It allows the team to be the voice of the customer within the business and to work with colleagues in production and logistics to deliver the products that our customers need, on time. It has been another year of uncertainty, and part of our role is to allay our customers' concerns, as headlines can appear worse than it is on the ground. The team is well-versed in this now, thanks to our extensive experience, and I am grateful to our customers around the world for their ongoing support.

Yaroslavna Blonska
Acting Group Chief Marketing Officer,
Ferrexpo plc



Diversification on all fronts

Continued access to Ukrainian Black Sea ports enabled us to expand sales to Asia while a pivot to a more even split between sales of iron ore pellets and concentrates reduced our risk exposure to lower pellet demand and premiums.

The sales rebound in 2024 continued into 2025, once again selling over 6.5 million tonnes of premium iron ore products. The product mix of the sales though was very different, as 2.9 million tonnes of total sales were in the form of premium concentrates, in particular, premium pellet feed as we adapted to shifting market dynamics. This is an all-time record for Ferrexpo and establishes our strategy to be a supplier of a broad range of premium products, not just a pure pellet producer and exporter. The continued trust that was built throughout the organisation and with our logistics providers enabled the Group to overcome many of the risks and challenges we faced.

The final two months of 2025 were some of the most challenging since the start of the full-scale invasion. Strikes on regional and local energy infrastructure impaired our ability to produce and relentless attacks on rail infrastructure and the Odesa port region hampered our ability to transport and export our products. The marketing team in conjunction with colleagues across Ferrexpo worked tenaciously to reconfigure supply routes and rebalance cargoes, whilst also liaising closely with customers.

This complex and constant reorganisation was particularly important during 2025 due to lower iron ore and steel prices and margins, because it helped us to deliver value to our customers. By being responsive to their needs, we were able to build more flexibility into our business, selling a variety of products in varying cargo sizes, on different terms to customers around the world.

UKRAINIAN BLACK SEA PORTS

Access to Ukrainian Black Sea ports continued into 2025, though was restricted in the month of December due to intense attacks. Access has subsequently been restored in 2026.

During the year, a total of 3.8 million tonnes, equivalent to 58% of total sales, were shipped through Ukrainian ports, loaded on 19 capesize and seven Panamax vessels. This compares to 3.4 million tonnes in 2024 on seven capesize and 25 Panamax size vessels. The increased use of capesize vessels helped realise economies of scale and lower costs in terms of freight costs per tonne.

As long as it remains safe and affordable to export from Ukrainian Black Sea ports, we will continue to do so. We are transparent about this with our customers and open about all the mitigations that we have in place to minimise reliability risks.

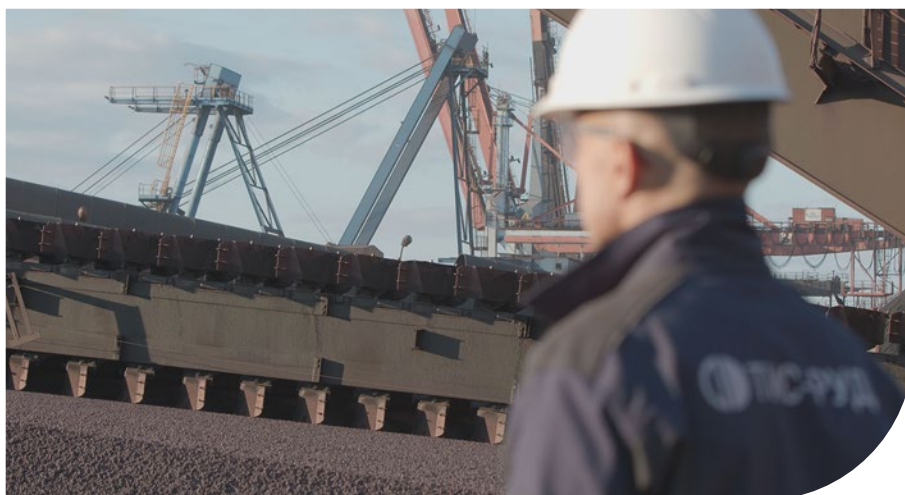
CUSTOMER GROWTH MARKETS

The Group continued to expand into new markets in 2025, with a sale of one shipment of Ferrexpo DR pellets ("FDP") to a new customer in the MENA region, and a total of 148 thousand tonnes of FDP volumes sold into the region.

The Group adapted swiftly to market dynamics in 2025 to maximise the value of the broad portfolio of premium iron ore products that our assets can deliver. As demand for pellet feed concentrates remained relatively stronger than pellets in 2025, the Group successfully pivoted its sales portfolio towards an increase of its premium-grade Ferrexpo Pellet Feed ("FPF") sales into Asia. A total of 2.4 million tonnes of FPF was sold into Asia, bringing the total sales of FPF globally to 2.9 million tonnes in 2025, representing a +254% year-on-year increase (2024: 819 thousand tonnes). Geographically, sales bound for Asia have also increased to 50% of the Group's sales portfolio in 2025 as a result, compared to 17% in 2024.

STEEL MARKET

Total global crude steel production totalled 1.8 billion tonnes in 2025, falling 2.0% year-on-year as global steel markets remained under heavy pressure.



As the world's largest producer of steel, China continued to dominate the global steel market in 2025. Increasingly, China is relying on exports to support its steel industry, amidst a slowdown in domestic steel consumption. Chinese steel exports increased 7.5% in 2025 to 119 million tonnes, putting pressure on markets around the world. Despite protectionist measures introduced in certain regions during 2024 and 2025 to curb Chinese steel exports, Chinese steel has continued to enter global markets. Imports from China increased in several newer markets, notably across the MENA region and particularly in Saudi Arabia, which recorded a 17% year-on-year increase.

Trade barriers continue to be erected to protect regional steel markets against the influx of competitively priced Chinese steel. In particular, the European Union's proposals in late-2025 to further reduce import quotas and increase tariffs on imported steel could potentially lend fresh support to European steelmakers moving into 2026. This is important because the EU's efforts to protect its steel industry is a key enabler to maintain its global leadership in decarbonising the steel value chain.

IRON ORE MARKET

Global iron ore exports totalled 1.8 billion tonnes in 2025, with Australia (962 million tonnes) and Brazil (414 million tonnes) continuing their dominance. Exports from Ukraine totalled 31 million tonnes.

Iron ore prices started the year strong, seeing a seasonal uptick driven by increased restocking demand prior to the Chinese New Year holidays in China and several weather-related disruptions to iron ore supply in Australia and Brazil. Prices peaked at US\$123/t on the 65% Fe index in the first quarter of 2025.

Further volatility was observed throughout the second quarter of the year, following the uncertainties around the implementation of US trade tariffs, where delays and changes in potential tariff policy continued to reshape global trade, especially during a year where China has continued to increase its reliance on steel exports as a demand pillar for its steel market.

SUMMARY OF INDUSTRY KEY STATISTICS

	2025	2024	YoY change
Iron ore fines price (65% Fe CFR China)	115	123	-7%
Iron ore fines price (62% Fe CFR China)	102	109	-6%
Average 65% over 62% Fe	13	14	-7%
Atlantic blast pellet premium	30	40	-24%
China blast furnace pellet premium	16	15	9%
Direct reduction pellet premium	49	58	-15%
C2 freight rate (Brazil Netherlands)	10	11	-2%
C3 freight rate (Brazil China)	22	25	-12%

Despite the ongoing volatility, hot metal output in China remained uncharacteristically elevated throughout the third quarter of 2025, supported by positive, albeit narrow, steel profit margins. This, in turn, kept offtake rates from portside inventories supported, which resulted in a tightened fundamental balance that supported prices.

Despite potential supply pressure stemming from record levels of iron ore exports seen from Australia and Brazil in the final quarter of 2025, prices continued rallying into the end of 2025 following increased expectations for economic stimulus measures in China to support consumption, which has seen 2026 start on a solid foot at US\$121/t for the Fe 65% index.

IRON ORE PELLET MARKET

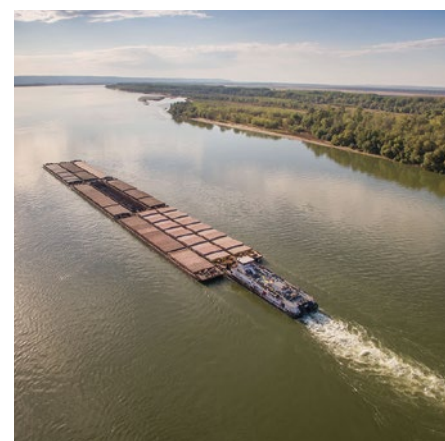
Pellet markets continued to remain under supply pressure in 2025 as major pellet producers ramped up export volumes, especially from South America and Europe where an additional three million tonnes of exports was recorded. On the demand side, European automotive steel demand remained subdued due to tariff pressures from the USA and weak domestic demand in the region, putting further pressure on steelmakers. As a result, the "benchmark" Atlantic pellet premium remained subdued in 2025, falling a further 24% year-on-year. Ferrexpo's pellet premiums are based on this benchmark for pellet sales into Europe, adjusted for quality differences.

Due to the sustained record low levels of pellet premia observed in 2025, higher cost pellet producers reduced pellet output in late-2025. This, combined with an increasing pelletising cost structure globally, could lend support to pellet premia in 2026.

SHIPPING

Dry bulk freight markets were less volatile in 2025 compared to 2024. Capesize freight rates in the first quarter of the year remained subdued due to several weather-related disruptions to major iron ore exporters in Australia. As record strong export performance from the Australian and Brazilian iron ore exporters continued to characterise the cape freight market in the second half of 2025, rates remained elevated and continued rallying into the year-end.

2025 was the second full-year period that the Group has been shipping from Ukrainian ports. Following the smooth resumption of seaborne exports from Ukrainian ports in 2024, the Group's marketing efforts to encourage more shipowners to return to Ukraine have seen further successes in 2025. The broader pool of available ships resulted in an improvement in freight pricing and a continued narrowing of the risk premia associated with shipping from Ukraine. The continued successes of the Group's efforts to maintain freight exposures assists Ferrexpo's products in remaining competitive in the global seaborne trade.



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Weaker iron ore index prices reinforce the need to focus on premium products that command higher prices and premiums.

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2026 OUTLOOK

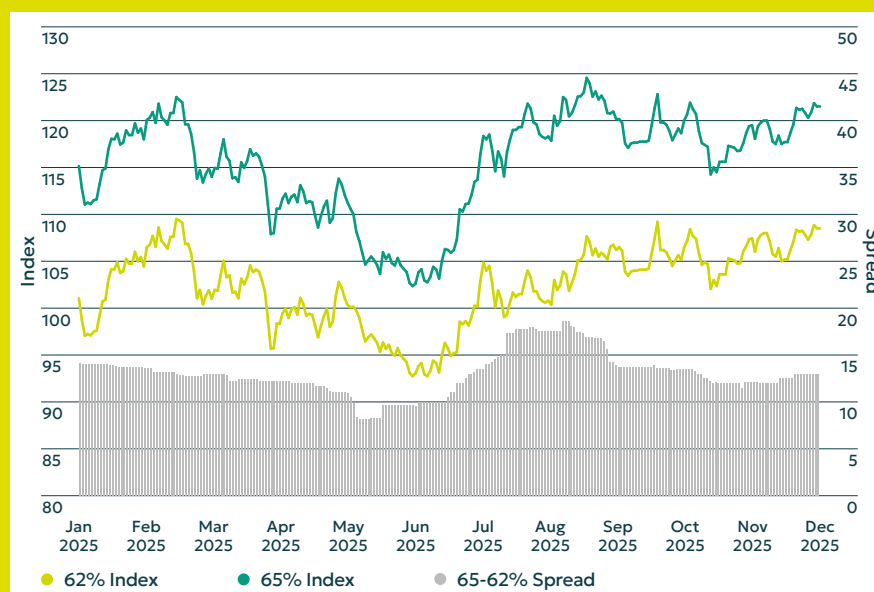
Further iron ore supply increases are expected in 2026 as major iron ore projects in West Africa ramp up exports and operational outperformance from Australian and Brazilian exporters is expected, evidenced from their strong performance in 2025.

Macroeconomic policy continues to drive iron ore pricing, especially in China, with prices increasingly becoming shaped by macroeconomic expectations and sentiment given the outsized role China plays in the seaborne iron ore market. With steel exports expected to remain a key demand driver for China's steelmakers, how global trade policy continues to evolve will heavily influence demand. Commentators suggest that the same evolution in trade policies and the resulting protectionist measures implemented in the EU in late-2025 could see a relatively stronger demand outlook for 2026 in Europe, where the Group continues to sell a large proportion of its output.

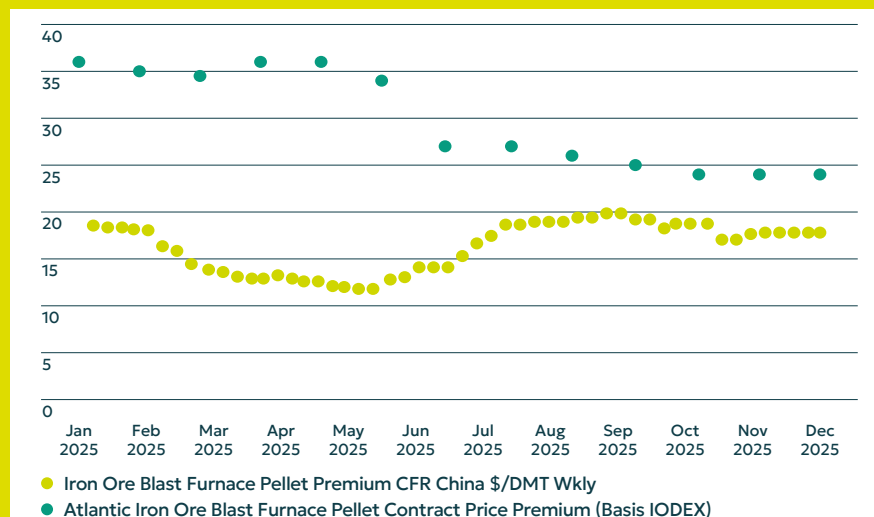
The sales and marketing team continues to ensure that the Group remains nimble and responsive to global iron ore and steel market dynamics. This, coupled with the operational flexibility of the Group's assets in Ukraine to respond to changing demand patterns quickly, will continue to deliver agility and value to the Group.



Iron Ore Prices (US\$/t)



Pellet Premiums (US\$/t)



OPERATING DURING A TIME OF WAR

Our workforce and operations continued to be affected by Russia's war in Ukraine throughout 2025. At the time of publication of this report, the war has entered its fifth year. In this section we detail the ongoing and changing effects of war on our people and their communities, and on our business operations and logistics.

PEOPLE

The ongoing safety and wellbeing of our people is our primary concern. The will to work, secure livelihoods, sustain resilient communities and contribute indirectly to the war effort is strong. It is therefore our responsibility to ensure there is a safe workplace and that we foster the physical and mental wellbeing of the workforce.

COLLEAGUES SERVING IN AND RETURNING FROM THE ARMED FORCES OF UKRAINE

At the end of 2025, our total workforce in Ukraine comprised 7,570 employees and contractors. This included 751 colleagues serving in the Armed Forces of Ukraine (including eight women), equivalent to 10% of the total workforce and more than at any time since the full-scale invasion started.

Managing the workforce composition is complex because many colleagues are serving in the Armed Forces of Ukraine. In particular a higher proportion of skilled workers such as electrical and gas welders, electricians and fitters are currently serving than we have on average across the business.

When a colleague is mobilised to the Armed Forces of Ukraine, our 'Backpack for the Mobilised' project supplies them with equipment such as safety clothing, sleeping bag and mats, a tactical first aid kit, and daily essentials such as mess kits and sanitary items. We maintain constant contact directly or through relatives, so that we can continue to supply them with replacement or other items that they need while serving.

As the war has prolonged, more veterans are returning, 207 in total as at the end of 2025. After the formal decommissioning process, veterans are introduced to the 'Ferrexpo Veteran Support Service' which offers comprehensive and tailored support to help veterans reintegrate into civil society and the workplace and reduce risks of moral injury. Ferrexpo veterans have the right to return to their previous roles, unless their physical or mental health circumstances do not allow for this, in which case they may choose to undertake training for a new role.

During 2025, we observed an increase in interest and demand for psychological support, not just from veterans, but also from their families and the broader community. Ferrexpo has pioneered several initiatives to break down the cultural hesitancy in Ukraine to seek psychological support. One such example is a viral social media video series we produced about Ferrexpo veterans and their partners. Efforts to bolster mental health are however constrained due to a shortage of mental health specialists in Ukraine and limited funds.



Workforce



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During 2025, we observed an increase in interest and demand for psychological support, not just from veterans, but also from their families and the broader community.

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Throughout the war, we have strived to keep our workforce safe.

At the start of the war, it would have been easy to shut down operations and send people home, however that was not the responsible choice. While some of our workforce chose to leave for abroad, or the west of Ukraine, the majority wanted to stay – and they wanted to keep working. Continuity in itself is the foundation of resilience. This meant we had to construct the safest possible environment, for example, by installing air raid alert systems, providing protective equipment, renovating old and building new bomb shelters and enhancing communication channels. We adapted quickly, and the commitment of our people ensured that life and work continued.

It is the case that production rates can fluctuate because of factors beyond our control, most notably due to the availability of power and access to logistics routes. In the latter part of 2025 this was made more challenging due to an intensity and frequency of missile and drone attacks or both. It also means that there are periods when employees must seek shelter. This results in additional interruptions to their working day and travel to and from the workplace. It also affects time at home, interrupting domestic activities, schooling, and sleep – placing real strain on daily life and psychological wellbeing. At times, people are working with reduced connectivity, lighting, heating in winter and air conditioning in summer.

In 2025, the refusal of the Ukrainian tax authorities to refund VAT forced the Company to downscale production, reducing the optimal production and financial potential of the business. This has forced Ferrexpo from time to time to reluctantly place personnel on furlough or reduced working hours. The result is that incomes are reduced and resilience of communities and contributions to the state are also reduced.

751

Colleagues serving in the Armed Forces of Ukraine at the end of December 2025



OPERATING DURING A TIME OF WAR CONTINUED



LOCAL COMMUNITIES

As the anchor employer in Horishni Plavni, the mining city built on Ferrexpo, we have a central role to play in supporting community life. This has become even more important since the full-scale invasion, as communities increasingly rely on private enterprises to balance their otherwise healthy contributions to local authorities, which are now under significant budgetary constraints.

At its most basic, a resilient community needs functioning infrastructure, health and education services, and a cultural and sporting life that distracts from the realities of a prolonged war. This is why we have helped to secure power and water supply, build and repair homes and hospitals, fund education initiatives in local schools, and provide medical equipment for local hospitals.

Since the full-scale invasion of Ukraine in February 2022, the Group has committed US\$29 million to humanitarian and CSR activities. It is therefore particularly regrettable that, during 2025, the withholding of VAT refunds required the Group to make difficult decisions to reduce such expenditure to protect the viability of its operations. As a result, spend on humanitarian and CSR activities during the year was significantly reduced to US\$1.5 million (2024: US\$4.3 million).

With reduced financial resources, the Group elected to focus on mental health and supporting initiatives such as our corporate theatre project called “FerroTale”, which has attracted an audience of over 7,000 since it was launched and raised over UAH50,000 for the Armed Forces of Ukraine and UAH50,000 for children with disabilities and special needs.

More information on supporting our communities can be found in our latest Responsible Business Report on pages 39 to 43.

OPERATIONS AND LOGISTICS

Our modern operations are large in scale and follow a simple production cycle from mining to processing and beneficiation. Throughout our operations, we have built in significant flexibility so that we can mitigate production risks and respond quickly to market shifts and customer demand.

In 2025, demand from one of our biggest markets, pellet sales to Europe, was subdued. Foreseeing the possibility, in late 2024 we invested in expanding our concentrate production capacity. This allowed us to respond to weak European pellet demand by pivoting our production mix to include more premium concentrates and pellet feed for customers in MENA and Asia.

This was made possible because of continued access to Ukrainian Black Sea ports and exporting more economically on larger capesize vessels, reducing the dependence on exports by rail and barge only, which was the case during the first two years of war.

Diversification of products, logistics routes and widening our customer base enabled us to keep operating during 2025.

The increased attacks on energy and infrastructure networks made this harder at times. We suffered power outages frequently, which interrupted the production cycle. We responded by building stocks of intermediary and finished products to optimise continuity of production and exports.

There were also times where longer journey times to dry and maritime ports were longer as rail cargoes had to be rerouted, and we adapted to this by building inventories in ports and along major nodes in Ukraine and abroad.

Ukrainian Black Sea ports also suffered attacks which presented challenges, as port facilities required repairs and capacity was restored slowly. Vessel loading times improved throughout the first half, however, during the second half of 2025, relentless attacks on the Black Sea port region resulted in their closing again. In response, the Group started redirecting its products by rail only to European customers, as it did previously after the full-scale invasion started. When it becomes safe to operate out of the Black Sea, we will resume loading and shipping from Ukrainian ports in 2026.

109

Veterans returned to work

US\$29M

Humanitarian support and CSR
spending since February 2022

Remembering those we have lost

Tragically, five colleagues were killed serving in the Armed Forces of Ukraine during 2025, bringing the total to 56 since February 2022 as at the end of December 2025.

2022

Andriy Albit, age 33
Dmytro Belikov, age 32
Oleksiy Bridnya, age 32
Andriy Chernya, age 37
Oleksandr Chugainov, age 54
Guy Dudka, age 52
Andriy Dukanych, age 32
Serhiy Kharlamov, age 57
Serhiy Kondyk, age 31
Denys Koshovyy, age 30
Ihor Novohatniy, age 39
Kostiantyn Orchikov, age 30
Oleksandr Scherbakov, age 28
Serhii Soltanovskii, age 36
Denys Svyrydov, age 50
Yaroslav Taran, age 50
Oleksiy Yatskov, age 36
Anatoliy Zakupets, age 36

2023

Yuriy Bilenko, age 38
Serhiy Buhuev, age 42
Oleksiy Bulba, age 45
Serhiy Chemkayev, age 44
Maksym Chystiakov, age 24
Volodymyr Holub, age 54
Oleksiy Khanilevych, age 24
Rostyslav Ledovskyy, age 25
Dmytro Lysachenko, age 28
Roman Lytvynenko, age 30
Vitaliy Med, age 40
Oleksiy Nazimov, age 25
Volodymyr Pavlenko, age 43
Petro Perovskiy, age 25
Andriy Petrenko, age 49
Serhiy Pizniy, age 34
Oleksandr Smyrnov, age 32
Vladyslav Solomko, age 32
Oleksandr Terlenko, age 48

2024

Valentyn Artemenko, age 24
Viacheslav Burhardt, age 38
Maksym Dmytryienko, age 44
Vadym Drach, age 49
Kostiantyn Koposov, age 39
Ihor Koriakovtsev, age 43
Oleksandr Koval, age 53
Andriy Kovalevskiy, age 43
Roman Kozmenko, age 29
Eduard Lozenko, age 45
Volodymyr Taranyshych, age 37
Roman Vernyhora, age 43
Mykola Yastrebkov, age 35
Ruslan Yerko, age 31

2025

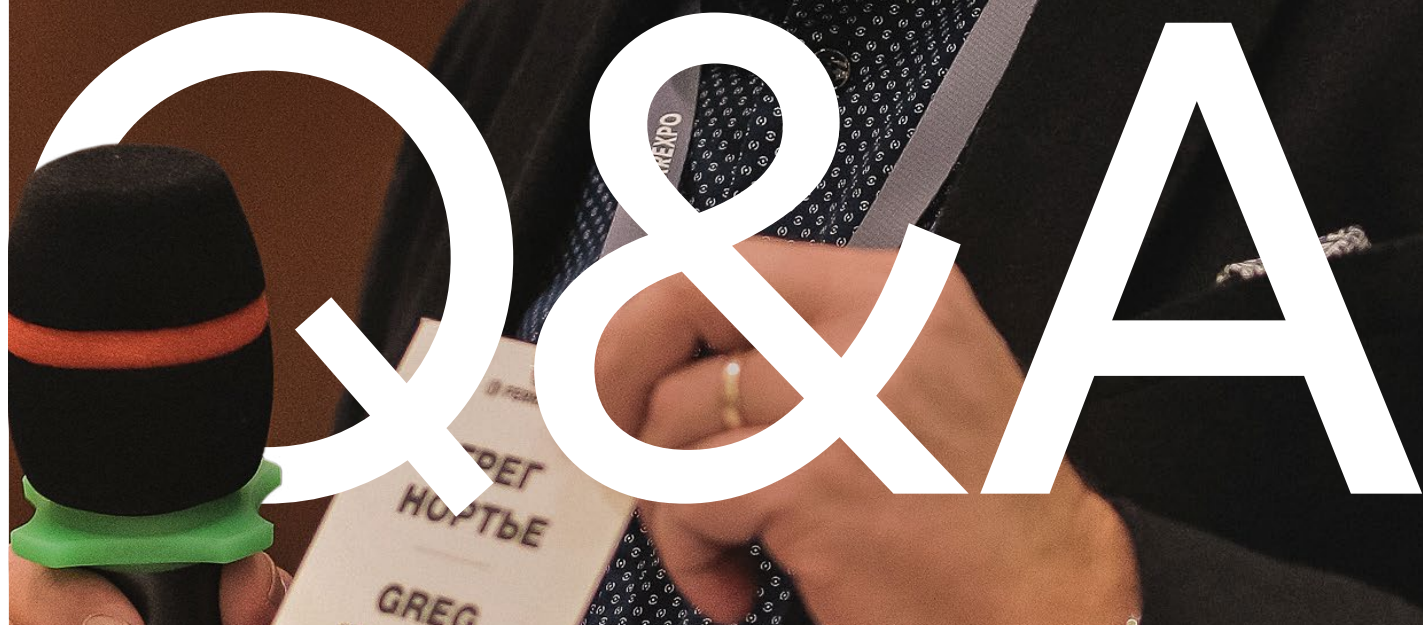
Dmytro Hrebelnyi, age 36
Oleksiy Kotvytskyi, age 44
Oleksandr Matus, age 49
Viktor Pevchenko, age 52
Oleksiy Shvorak, age 42

SLAVA UKRAINI

OUR PEOPLE

The war continues to place incredible pressure on companies in Ukraine. We understand our role in helping to provide the support we can to individuals during this difficult time.

Greg Nortje
Group Chief Human Resources Officer



Our people are living in challenging times yet their sense of purpose has never been stronger.



AS PART OF THE FERREXPO LONDON TEAM, YOU LEAD ON THE PRODUCTION OF THE FERREXPO ANNUAL REPORT. WHY DID YOU DECIDE TO TITLE THIS YEAR'S REPORT "IRON WILL"?

For me "iron will" reflects the determination of our employees, first as individuals enduring their own version of war, and second as a collective, that has rallied behind Ferrexpo, ensuring business continuity.

We chose these words because, obviously, 'iron' relates to our business, but together, we felt that this was the best choice to convey to the outside world what it takes to get through a fourth year of war.



CAN YOU DESCRIBE WHAT IT IS REALLY LIKE FOR THE WORKFORCE, LIVING AND WORKING DURING A TIME OF WAR?

It is important to recognise that everybody's experience is different.

Some people may be serving in the Armed Forces of Ukraine or have returned as a veteran. Others may be their partners. These people have frontline experience and have lived through the hardest times.

Others may not have had such a direct experience of war, but everybody is affected by the disruption of air raid alerts. When the sirens are going off people ask themselves: Do I need to go to a shelter? Where is the nearest shelter? Are their children attending school safe? Where is my partner? Will they be safe? Is the town going to be attacked?

Then, during the last winter, following intense attacks on energy infrastructure, including in towns and cities where our people live, communities had to endure rolling blackouts, resulting in cold homes and offices and darkness. Generators started to pop up everywhere. The humdrum of their engines and the smell of the fumes greet you at the supermarket, the post office and on entering cafés.

This is the reality for our workforce and across Ukraine. But our people will not be defeated. There is an enduring spirit of resilience and hope, alongside a special kindness and respect. People understand that success at the front requires a strong rear guard, and they are doing everything they can to provide that support.



HAVE YOU EXPERIENCED HIGHER EMPLOYEE TURNOVER, NOT JUST DUE TO THE WAR, BUT ALSO BECAUSE IN 2025 YOU HAD TO PLACE EMPLOYEES ON FURLOUGH AND REDUCED WORKING HOURS TO SAVE COSTS?

Our employees are aware of the challenges we face, and that many of these are not unique to Ferrexpo. We have had a difficult year but using the experience we have gained over the period, we have continued to adapt our workforce. Aligned with changing production plans, we have had to continually change how we deploy our people, train them to develop new skills, and yes, unfortunately at times, reduce their working hours or place some people on furlough. Despite this situation, we have not seen an increase in employee turnover; not since the early days of the full-scale war, when of course many people left altogether. We would like to do more for our employees. It is, however, a challenge when half of our liquidity has been denied to us through the withholding of our VAT refunds. Our workforce questions this because they know better than anybody that the front line must be supported from the rear, which is the role they are trying to play in this prolonged war.



Q OF THE EIGHT METRICS USED TO MEASURE GROUP PERFORMANCE, THE TWO THAT RELATE TO HR ARE SAFETY, MEASURED BY THE 'LOST-TIME INJURY FREQUENCY RATE' AND DIVERSITY IN MANAGEMENT ROLES. BOTH THESE MEASURES IMPROVED IN 2025. INDEED, THE DIVERSITY METRIC SURPASSED ITS 2030 TARGET TO REALISE MORE THAN 25% OF WOMEN IN MANAGEMENT ROLES. HOW WAS THIS ACHIEVED, AND WILL YOU NOW INCREASE THE DIVERSITY TARGET?

OUR REDEFINED VALUES

As we face many challenges that the war poses, our values help to inform our responses, not just on a day-to-day basis, but also with the long term in mind.



Given our challenging circumstances, it is pleasing to report some successes.

In terms of safety, the LTIFR in 2025 fell to 0.38 from 0.54 in the previous year. The rate also fell back below the historic five-year rolling average of 0.52. This tells us that we improved our safety during the year and that we continue to improve year-on-year, even better than we have done on average over the last five years. This has been achieved through a relentless focus on safety, despite the war. We have worked hard to install a deep safety ethos amongst our people. There have still been some safety incidents, and there is a way to go to achieve zero harm, but we have improved.

The focus of our DEI programme has always been to create a more inclusive workforce, one benefit of which is the ability to recruit from the widest possible pool of talent. To level the playing field and shift our culture, there has been a focus on recruiting, developing, and promoting more women into wider range of roles that historically would have been only filled by men.

Together, we have expanded access to skills development and growth opportunities, enabling women to step forward and take on broader roles with confidence.

At the end of 2025, women in leadership stood at 25.8%, a good increase compared to 22.9% in 2024 and a great achievement compared to 18.2% in 2021 when we first implemented this measurement as a KPI. Women as an overall percentage of employees has also advanced over the same period from 36% of the workforce to 38% (excludes contractors).

I am often asked two questions about this achievement. First, is it sustainable? Yes, it is sustainable because these women are the best people for the job. Second, will the number fall when men currently serving in the Armed Forces return? Here the answer is no, because we already count these men as part of our current workforce, so the figure would not change.

Q IN 2025, YOU RAN AN EMPLOYEE ENGAGEMENT SURVEY. WHAT WERE THE PRINCIPAL FINDINGS? DID ENGAGEMENT REDUCE BECAUSE OF THE PROLONGED WAR AND THE BUSINESS CHALLENGES?

Yes, we ran the survey for a second year with the same provider. It is a mammoth task, run in multiple languages, and, particularly because of the staggered deployment of our workforce currently. I am grateful to all my colleagues for their efforts.

In HR speak, 'Engagement' aggregates the thousands of responses, and provides insight into employees 'emotional' commitment to their work, teams, leaders, and the Company. It is true to say that we saw lower engagement in 2025 compared to 2024. Even if the environment remains unchanged, this is not unusual as employees open up more, as surveys are run more frequently. However, it does underline the challenging environment in Ukraine and within our business, as well as some of the difficult choices we were forced to make due to our very tight liquidity. The survey empirically confirms our concerns about job security, wellness, and pay, in particular, which has enabled me to make recommendations to the Board, Executive Committee, and my team, within the limited resources we have available, to alleviate the issues raised. The survey is a valuable tool, and the intention is to take remedial actions arising from the survey results and run a third survey on the same platform in 2026 to gauge improvement.

Greg Nortje
Group Chief Human Resources Officer
Ferrexpo Plc

7,570

Global workforce

+10

Offices around the world

38%

Proportion of women
in the workforce
(2024: 36%)

“

We have supported women to develop new skills and progress into roles where they have been historically underrepresented. Participants have demonstrated appetite and the capability to take on new responsibilities and advance their careers.

”

**Our redefined values help direct us,
more than ever during a time of war**



Since February 2022, the priority has been to help our people live through war. This responsibility has been more acute for the Human Resources team than for any other business function.

 [Find out more on page 26](#)



Almost a decade ago Ferrexpo embarked on an overhaul of its entire approach to Human Resources, meaningfully integrating global best practices into everything we do.

The changes that were gradually implemented helped foster a ‘One Ferrexpo’ interdependent culture, resulting in an operating model that effectively manages the human capability and capacity of the organisation, delivering the support needed to achieve our broader business objectives.

Since February 2022, the priority has been to help our people live through war. This responsibility has been more acute for the Human Resources team than for any other business function. During a time of war, health and safety are paramount. It is important to ensure the physical safety, emotional wellbeing, and psychological resilience of our people, both as individuals and collectively as a workforce.

This is an ever-evolving challenge because the war changes and each person endures their own experience of the war. We understand that one of the most important contributions we can make is to keep the business running and ensure our people remain employed. When the full-scale invasion started in February 2022 it would have been easy to shut down operations and send people home but that would not have been the responsible choice. While some of our workforce relocated to the west of Ukraine or abroad, the majority chose to stay, determined to continue working. Our responsibility has been to support them and to do it in a way that ensures they feel as safe and protected as possible.

 **For more information see the sub-section on Health and Safety in the Responsible Business Review.**

WORKFORCE COMPOSITION

Balancing the workforce composition has become more important for Ferrexpo as dynamic factors, including changing demographics, changing legislation and regulation, technological advancement, and the availability of skills, are constantly and rapidly shaping how we manage our workforce today and into the future.

The most critical issue for Ferrexpo is our colleagues serving in the Armed Forces of Ukraine. At the end of 2025, 751 colleagues were serving in the Armed Forces of Ukraine equivalent to 10% of the total workforce. This is more than at any time since the start of the full-scale invasion of Ukraine. It should be noted that in January 2025 we adjusted how we calculate this number to exclude part-time employees who previously worked at Ferrexpo and with a second employer to avoid double counting. Consequently, this number is lower than the 764 reported in the fourth quarter 2025 Production Results. As the war prolongs, we are welcoming back more and more veterans, 207 in total as at the end of 2025, of whom 104 have been able to return to work, with the balance undergoing rehabilitation, retraining, or electing not to return to work.

Efforts to improve our corporate culture, initiated in 2017, included developing a more inclusive workplace for women. It is therefore rewarding to note that women as a percentage of all employees grew from 36% in 2024 to 38% in 2025. Furthermore, the share of women in managerial positions increased from 22.9% in 2024 to 25.8% in 2025, exceeding our 2030 target of 25%.

 **For more information about women in the workplace, please see the Diversity, Equity and Inclusion sub-section in the Responsible Business Review.**

Ferrexpo’s on-site Qualification Centre has expanded its activities in 2025 to offer additional vocational training programmes. In December 2024, the centre was recognised by the National Qualifications Agency, becoming the first such centre in the Poltava Region. The main and most important function of the Centre is to provide employees with appropriate qualifications by certifying their skills and abilities without requiring theoretical training or retraining. Recognising an employee’s prior learning by offering formal certification in their profession – subject to passing an exam – shortens the process of obtaining a qualification compared with undertaking full theoretical and practical training. In 2025, the Centre has the authority to certify three additional professional qualifications, taking the number to six professions in total. Looking at the year ahead, work is underway to complete the accreditation for a further four to eight professions.

A key focus in 2025 has been building broader, more flexible capability across our workforce by developing multi-skilled employees who can perform a range of functions across our operations. This is a strategic investment in workforce resilience, helping us manage anticipated skills shortages and labour market pressures as the war ends, while also strengthening operational flexibility and supporting longer-term career development.

Education and skills training is also a key factor for recruiting young talent, a labour pool that is shrinking in Ukraine. We cooperate with the technical schools in our communities, run events and projects, offer bursaries and scholarships, and run programmes with regional universities.

WORKFORCE PLANNING

On a more immediate and practical level, workforce planning requires day-to-day analysis and attention, to ensure that the Company has sufficient available human resources to operate effectively. This requires constant assessment of the workforce composition, skills, and capabilities available to us, so that we can align these with the production plan staffing requirements, which change frequently.

25.8%

Number of women in management positions (2024: 22.9%)

751

Employees serving in the Armed Forces of Ukraine

WORKFORCE STATISTICS

	2025	2024	2023	2022
Total workforce (Ukraine and international offices)	7,570	8,304	8,242	9,959
Serving in the Armed Forces of Ukraine	751	706	656	582
Employees (excluding people serving in the Armed Forces)	5,643	5,965	6,233	7,401
Contractors	1,176	1,633	1,353	1,976
Male employees (excluding contractors)	4,252	4,526	4,759	5,693
Female employees (excluding contractors)	2,142	2,145	2,130	2,290
Male percentage (excluding contractors)	75%	76%	76%	77%
Female percentage (excluding contractors)	38%	36%	34%	31%
Total killed serving in the Armed Forces of Ukraine	52	45	34	16
Veterans demobilised from the Armed Forces of Ukraine	207	160	67	6
Veterans returned to the workplace	109	102	40	1
Veterans waiting to return to the workplace	30	18	3	0
Veterans elected not to return to Ferrexpo	63	40	24	5

During wartime, there can be periods of intermittent or suspended production, and indeed periods of needing to boost production, demanding enormous flexibility. To manage these fluctuations, we have implemented measures such as furlough, adjusting pay structures, modifying shift patterns, and asking employees to take or postpone leave as needed.

Managing the workforce composition in 2025 was particularly complex for two reasons. First, due to the withholding of VAT refunds, we were forced to downscale production and operate at a level within the constraints of lower liquidity. Reducing our activities across all areas of the business, from our mines to the ports, meant that more people were available than work required.

This demanded significant additional flexibility from our people as we sought to optimise the availability of skills on an as-and-when basis. The second challenge in 2025 arose from attacks on the regional power infrastructure in November and December. There were periods of time when there was no or limited power. This required us to send people home and delicately balance the workforce according to the available power and gradually increase staffing as power was restored. During these times, not all parts across the production cycle were operational, adding further complexity as employees had to be rotated in and out of work depending on which part of the business was running.

EMPLOYEE ENGAGEMENT SURVEY

Towards the end of 2025, a second Employee Engagement Survey was undertaken using the same new platform as in 2024. The response rate of 61% represented a good cross-section of business demographics, although it was lower than the 62% in 2024. The Group's overall engagement score fell to 54% from 73% in 2024 due to more challenging working and salary conditions. The survey provided the data needed to make recommendations to the Board to improve working conditions for the workforce, cognisant of the constraints upon the business due to lower liquidity.

During October 2025, the then-designated Employee Engagement Director, Vitalii Lisovenko, undertook an operational site visit and held engagement sessions with a cross section of employees. The findings highlighted the importance of strengthening communication, supporting managers in leading under pressure, taking a balanced approach to cost-management decisions and enhancing employee engagement. These findings and the related recommended actions were presented to the Board, which accepted them in full, and progress is continuing despite the ongoing challenges of the war in Ukraine.

OUR BUSINESS MODEL

Ferrexpo is a vertically integrated, large-scale producer of premium grade iron ore products to a global customer base.

Our premium grade iron ore products are preferred by premium steel producers around the world because they improve efficiencies in steelmaking and are enabling the transition to green steel.

Our competitive capabilities and advantages

Vertical integration

From a world-class orebody, on which are built established contiguous mines and a development project, delivering ore to an established processing plant using modern western technology, producing premium products that are transported on a multi-modal and nodal logistics platform, Ferrexpo is vertically integrated from beginning to end.

Diversification

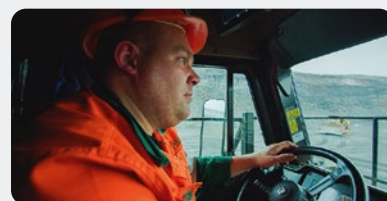
What sets Ferrexpo apart from the industry is its diversification. Ferrexpo produces a range of premium products, which it can transport to its customers in a variety of ways. Its customers are high-end steel producers that can stand the test of commodity cycles. And with a global customer base, Ferrexpo is not dependent on any single country or region.

Premium grade products

Premium products fetch a higher price and premium, and demand is forecast to outpace lower grade forms of iron. Ferrexpo is unique because it produces a variety of customisable premium-grade products and is therefore able to benefit from demand arbitrage, particularly to customers in Europe and MENA because it is closer than its global peers to these growing steel markets.

01

Mining



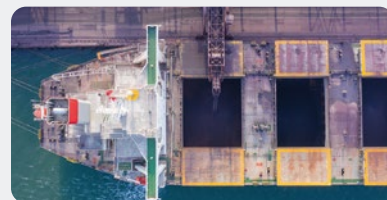
02

Processing



03

Logistics



04

Product mix



05

Customers



QUALITY ASSETS

World-class, long-life magnetite orebody stretches 50km along strike and holds 5.7 billion tonnes of JORC-compliant Mineral Resources, more than 50 years mine life. Three contiguous open pit mines.

50YRS

Mineral reserves

The outcomes we deliver

ECONOMIC

ROBUST PRE-WAR EARNINGS TRACK RECORD

PRE-WAR SHAREHOLDER DISTRIBUTIONS

FISCAL CONTRIBUTIONS

LARGE PROCURER OF DOMESTIC GOODS AND SERVICES

SOCIAL

INVESTMENT IN UKRAINE

SUPPORT DURING TIME OF WAR

SUPPORTING OUR WORKFORCE AND COMMUNITIES

DEVELOPING OUR WORKFORCE

ENVIRONMENTAL

ENABLING TRANSITION TO GREEN STEEL

NET ZERO PATHWAY

FLEXIBLE PRODUCTION

Large-scale long-established processing and metallurgical beneficiation operations. Flexibility to produce a variety of premium-grade iron ore products to supply evolving customer needs.

12MT

Annual capacity from four pelletising lines (pre-war)

GLOBAL DISTRIBUTION

Multi-modal logistics solutions using owned transport equipment and logistics infrastructure, including rail, ports, river and ocean vessels. Closer than global peers to EU and MENA growth markets.

3RD

Largest exporter of pellets globally (pre-war)

PREMIUM PRODUCTS

A variety of premium-grade products, including concentrates, that reflect segments of the broader iron ore market projected to benefit from outpaced demand and prices.

+6MT

Production for the second year in a row

PREMIUM PRODUCTS

Global customer base with a preference for high grade products due to efficiencies in steelmaking supporting the transition to green steel.

+65%FE

Premium grade products

OUR BUSINESS MODEL
CONTINUED

WE ARE

CRITICAL

OUR PRODUCTS ARE IMPORTANT TO OUR STEELMAKING
CUSTOMERS WHO ARE, IN TURN, CRITICAL IN DOWNSTREAM
SECTORS, SUCH AS THE AUTOMOTIVE AND AVIATION
INDUSTRIES IN EUROPE

BUSINESS MODEL IN ACTION: CREATING SOCIO-ECONOMIC VALUE IN THE COMMUNITY

Q What is the purpose of the CSR work we do in Ukraine?

A In my view, there is a misconception about CSR activities. Many people believe it is about reducing negative impacts, but in my mind, it is about developing positives. People not only want to work in a safe environment, but they also want to live in one too.

Q Where do you focus your efforts?

A Throughout 2025, our focus remained firmly on providing humanitarian and social support to our local communities.

This included assisting with the repair and maintenance of infrastructure, funding and sustaining projects that support medical and educational facilities and providing respite with support for cultural and sporting activities. Our work in the communities where we are present is focused on sustaining livelihoods and keeping aspirations alive.

Q How has the refusal by the Ukrainian tax authorities to refund VAT affected your CSR activities?

A Earlier in the year, we had to have frank conversations with our finance colleagues about the lack of funding to sustain all of our CSR and humanitarian efforts. Budgets were cut. Then cut again. We have had to learn how to do more with less, continuing to support essential needs in and around Horishni Plavni. However, the scale of our contribution is lower than it was.

Q If peace is restored in Ukraine, how would your approach to CSR change?

A We have already started seriously thinking about this. Our initial thinking is that we will need to establish a new fund focused specifically on renovation and rebuilding projects. We also believe that we should involve ourselves in other regions of Ukraine where we can help. We have strong expertise in infrastructure, and we see an opportunity to be a key contributor to national rebuilding efforts.

“
Ferrexpo has always been active in the community, generating positive social impacts. It is hard that we have been forced to reduce our activities.
”

Olga Mokra
Head of CSR Projects in Ukraine



STRATEGIC FRAMEWORK

Managing the business through a prolonged war has taught us to be flexible and respond adaptively to the constant challenges that we face. These measures relate to our people and communities, our operations and logistics infrastructure.



Strategic direction

01

People



Challenges faced

- Workforce migration
- Armed Forces conscription
- Veterans returning
- Mental health issues



Adaptive responses

- Humanitarian spending
- Support for mobilised employees
- Veterans programme
- Wellbeing programme
- Workforce planning

02

Community



Challenges faced

- Missile and drone attacks
- Demographic changes
- Reduced local services
- Reduction in state budgetary support



Adaptive responses

- Humanitarian support
- Provision of basic services
- Education and healthcare support
- Cultural and sports funding



03

> Operations



Challenges faced

- Energy grid attacks
- Supply chain disruption
- Air raid alerts
- Reduced liquidity

> Adaptive responses

- Business right-sized
- Flexible production
- Cost and Capex cuts
- Working capital controls

04

> Logistics



Challenges faced

- Black Sea port access
- Fewer shipping companies
- Freight rates
- Attacks on logistics routes

> Adaptive responses

- Customer communication
- Logistics rerouting
- Stockpiling and warehousing
- Supplying demand pockets

STRATEGIC FRAMEWORK CONTINUED

On the surface, our five strategic principles may appear at odds with the urgency of war. Whilst we are focused on protecting our people and preserving the integrity of our assets during this time, it is our longer-term strategic direction that helps to guide our resilience now.

High-quality production

Low-cost operations

Focus on sustainability

World-class customer network

Disciplined capital allocation

For example, in 2025 we further diversified our premium-grade product offering and expanded our customer network, thereby reducing risk. And, following the suspension of VAT refunds, we tightened our capital discipline and lowered costs to preserve cash. Sustainability remains on the agenda too. We improved our safety performance and continued to advance our lead in Ukraine in sustainability reporting.

More could have been done. By our estimates, if our VAT refunds were not suspended, and we continued to produce and export at the same rate as in the first quarter of 2025, our best since the full-scale invasion of Ukraine in February 2022, we could have sold an additional tonnes of premium-grade Ukrainian iron ore, and would have made the following additional socio-economic contributions:

- US\$23 million in direct taxes
- US\$150 million on procurement, which includes:
 - US\$65 million to electricity providers
 - US\$13 million to gas suppliers
 - US\$43 million to Ukrzaliznytsia
 - US\$29 million in port charges
- US\$8 million in salaries

In total, this amounts to over US\$180 million in lost contributions to the Ukrainian economy in 2025, due to the denial of a total US\$61 million in VAT refunds.

Reviewing our five strategic pillars, the following progress has been made:

High-quality production



Focus on improving and broadening the variety of premium iron ore products offered to customers, including concentrates, pellet feedstock, and pellets.

2025 ambition and targets

- To expand DR pellet production and customer portfolio.

2025 progress and highlights

- No DR pellets were produced during the year, although some were sold from stockpiles.
- High grade focus with 100% of all iron ore products grading 65% Fe or higher.
- Production diversification achieved with a record concentrate production at 2.9 million tonnes, equivalent to 48% of total production mix (2024: 0.7 million tonnes and 10%).
- Continued capital investment in the press filtration complex, resulting in improvements in the physical strength and chemical quality of higher-grade pellets.
- Customisation of iron ore products by chemical quality, hardness, and coatings to specific customer demands.

Assessment

Good progress has been made against this strategic pillar, helping to de-risk the business by diversifying into premium products, including concentrates, and reducing dependence on customers exposed to weaker demand.

2026 ambitions and targets

Continue to reduce risk through product diversification and establish Ferrexpo in a unique position as a supplier of a range of premium products that command premium prices, separate from traditional producers of medium- and low-grade iron ore products.

+6MT

Production for second year in a row

 Find out more on pages 12-17, 40-49

Low-cost operations



Continued capital investment to preserve the integrity of our assets and improve efficiencies to optimise costs and maintain a competitive cost of production.

2025 ambition and targets

- Ensure flexible operations that adapt to customers' needs.
- Continue to implement cost-saving initiatives across the Group's operations.
- Work with peers, industry associations, and government agencies to improve electricity import tariffs.

2025 progress and highlights

- C1 pellet production costs decreased by 1.5% to US\$76.3 per tonne.
- C4 concentrate production costs decreased by 9% to US\$50.3 per tonne.
- Logistics costs reduced on a unit basis.
- Capex reduced by 52% to US\$49 million.

Assessment

Despite higher energy tariffs and consumables prices, the Group achieved a reduction in its production costs. This was, however, at the expense of deep cost cutting, including placing parts of the workforce on furlough or reduced hours, and short periods of reduction in stripping rates and maintenance.

2026 ambitions and targets

The continued refusal by the Ukrainian tax authorities to refund VAT is the most pressing issue because it has resulted in a reduction in available cash and liquidity. The Group is making representations in Ukrainian courts and engaged directly with senior stakeholders in Ukraine and abroad in its efforts to secure the outstanding VAT refunds.

-1.5%

C1 cash cost reduction, despite higher electricity tariffs

 Find out more on pages 50-61

Focus on sustainability



By acting responsibly and engaging through partnerships with our workforce, communities, other stakeholders and protecting the environment, we can operate sustainably.

2025 ambition and targets

- Continue strong safety performance.
- Continue to respond to the needs of our workforce and local communities during a time of war.

2025 progress and highlights

- Improved safety performance, falling below the five-year trailing average.
- Zero fatalities for the fifth consecutive year.
- Expanded provision of mental health support for veterans, families and employees, through a reduction in broader community support due to a reduction in available funding.
- Publication of tenth annual Responsible Business Report, first to voluntary GRI standards.
- Scope 1 and 2 emissions increased due to reduced availability of clean domestic generated electricity and need to import carbon-intensive electricity from abroad.
- 97% of water extraction from dewatering and 98% of water in the processing complex reused.

Assessment

The Group made good progress in delivering against its 2025 ambitions with regard to sustainability. However, more could have been achieved with regard to humanitarian and CSR spending; however, it was necessary to cut spending and preserve cash.

2026 ambitions and targets

Continue to focus on improving overall safety performance and protecting our employees from war-related risks. At the same time, advance our environmental initiatives that are within our control and that can be funded due to reduced liquidity.

>5 YEAR

Safety performance below trailing average

 Find out more on pages 62-73

World-class customer network



Working in partnership with our customers to develop and produce a range of premium products that help them improve efficiency in steelmaking and enable them to transition to green steel.

2025 ambition and targets

- Continue to export through the Black Sea, providing it is safe.
- Focus on expanding higher margin products sales.

2025 progress and highlights

- Ukrainian Black Sea ports remained accessible throughout 2025, and the total volume of seaborne sales expanded to 58% for the year.
- Diversification achieved with five new customers supplied, increasing the geographical portfolio to ten countries.
- Sales of higher-margin premium-grade concentrates increased to 44% of the total product sales mix.
- Meetings around the world with existing and potential customers and attendance at global iron ore and steel industry events.

Assessment

In challenging markets, good progress was achieved expanding the sales mix, customer base, and geography, thereby achieving broader diversification. The Group was also able to capture pockets of demand arbitrage from time to time and support customers with urgent feedstock needs.

2026 ambitions and targets

Continue to de-risk the business through diversification of products, customer base and geography. Support margins by focusing on premium-grade products that generate optimal net backs. Advance plans to introduce a new ultra-premium 70% Fe grade concentrate pellet feed.

15

Customers in 10 countries

 Find out more on pages 12-17

Disciplined capital allocation



Prudent capital framework that balances operational and societal demands during a time of war.

2025 ambition and targets

- Continue to rigorously monitor capital allocation in a highly disciplined manner.

2025 progress and highlights

- Focus on expanding premium concentrates assisted total sales margins.
- Deep cost cutting measures including placing workforce on furlough and reduced hours, and reduction in and subsequent suspension of humanitarian and CSR spending.
- Significant reduction in capital investment, including suspension of non-essential capex to of US\$49 million.
- Collaborating closely with customers and banks to reduce payment and cash cycles.

Assessment

Heightened levels of diligence and vigilance throughout the year helped mitigate the reduction in liquidity due to the refusal to refund VAT. Adding the accrued VAT repayments to net cash and receivables, total liquidity actually increased during 2025.

2026 ambitions and targets

The focus is to restore VAT refunds so that liquidity and cash improve and operations can increase capacity and lower costs.

US\$49M

Capital investment

 Find out more on pages 50-61

KPIs: MEASURING OUR PERFORMANCE

The primary KPIs that we use to measure and report our annual performance are divided into two categories: financial and non-financial.

Our financial KPIs provide a snapshot of our financial performance and include four measures:

1. Underlying EBITDA: a way to measure how much money we make from our business activities.
2. Profit or loss after tax: how much money is left after all costs, including taxes.
3. Net cash flow from operating activities: the amount of cash we made, adjusting for non-cash items, from our day-to-day operations.
4. C1 costs: the basic essential costs to produce one tonne of our products. This is an average cost of the many different products that we produce, some of which are of higher value and therefore incur higher costs of production.

Except for the Net cash flow from operating activities and Profit/(Loss) after tax figures, all other financial metrics are Alternative Performance Measures (“APMs”). APMs are not uniformly defined by all companies, including those in the Group’s industry. Accordingly, the APMs used by the Group may not be comparable with similarly titled measures and disclosures made by other companies. APMs should be considered an additional way of disclosing financial performance, rather than a substitute or a superior measure according to the same numbers that are also reported in this report in accordance with IFRSs. Definitions of our APMs can be found on pages 266 and 267 of this report.

The four non-financial principal KPIs that the Group reports include:

5. Lost-time injury frequency rate (“LTIFR”): a metals and mining industry standard for measuring the workforce operational safety performance.
6. Diversity in management roles: our chosen DEI metric to track progress with our broader ambitions.
7. Greenhouse gas emissions: a measure of our CO₂ emissions on the basis of a kilogram of unit production, to track our progress against our net zero pathway.
8. Sales volume by region, which we share to provide more detail than our total sales and break down to show how we are progressing our strategic intention to sell higher margin products to premium customers.

These non-financial KPIs represent a broad snapshot of our approach to responsible business, DEI, climate change, and commitment to enabling our customers’ transition to green steel.

This is the third consecutive year that we have reported these KPIs. Not every year shows an increase or an improvement, which is why in the descriptions we detail what worked, and what did not. In the spirit of transparency, we will continue to report these numbers against the four preceding years so that our progress can be tracked.

Our strategic pillars

High-quality production



Low-cost operations



Focus on sustainability



World-class customer network

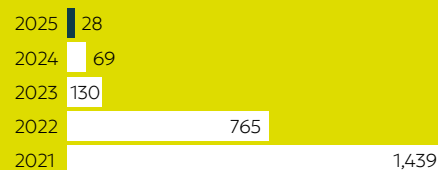


Disciplined capital allocation



Financial KPIs

Underlying EBITDA (US\$m)



Link to strategy pillars:



US\$28M

2025 performance

Underlying EBITDA in 2025 fell 61% to US\$28 million. This is due mainly to lower sales volumes and an increase in iron ore concentrates as part of the overall product mix, although it also reflects deteriorating realised prices and pellet premiums throughout the year.

2026 outlook

The future performance of the Group is largely dependent on the ongoing war in Ukraine and the levels of achievable sales due to energy and logistics restrictions and the level of working capital availability. The market outlook for iron ore prices and pellet premiums is subdued due to prevailing weakness in steel markets, especially in Europe, and expectations of higher exports of lower grade iron ore supply from Australia, Brazil and West Africa.

 More information on Underlying EBITDA can be found on page 58

**Profit/(Loss) after tax
(US\$m)**

2025	(224)
2024	(50)
2023	(85)
2022	220
2021	871

Link to strategy pillars:



US\$(224)M

2025 performance

The Group reported a loss of US\$224 million for the year. This is largely due to a non-cash impairment loss of US\$154 million on the Group's non-current operating assets. This compares to a loss of US\$50 million in 2024, which included an impairment loss of US\$72 million. The increased loss in 2025 is due to lower sales volumes of a product mix that comprised a higher blend of lower margin concentrate sales.

The effective tax rate in 2025 financial year was positive at +5.3% and therefore not comparable to previous periods. The reason for the positive effective tax rate is that the Group is in a loss position even before the recorded impairment losses and that no deferred tax assets on the resulting tax loss carry forwards were recognised.

2026 outlook

Like other factors, the Group's outlook for the year ahead is heavily dependent on the war. In 2026, it is anticipated that the Group may be affected by subdued demand for iron ore and persistent lower prices. In addition, the effective tax rate of the Group will increase further due to the gradual increases in the Global Minimum Tax Rate.

 More information on profits and losses can be found on page 59

**Net cash flow from operating activities
(US\$m)**

2025	3
2024	92
2023	101
2022	301
2021	1,093

Link to strategy pillars:



US\$3M

2025 performance

The net cash flow from operating activities was US\$3 million, compared to US\$92 million in 2024, mainly due to the withholding VAT-related impacts. The effect of the lower operating cash flow was accentuated by the working capital outflow as at 31 December 2025.

Despite the challenging environment, the Group is essentially debt free, with a net cash position of US\$47 million as at 31 December 2025, in line with US\$50 million at the end of June 2025 (31 December 2024: US\$101 million).

2026 outlook

The Group's financial performance, including net cash flow from operating activities, is dependent on the ongoing war, with a range of potential outcomes.

The Group continues to focus on higher-grade and higher-quality beneficiated iron ore products, which generate higher margins and differentiate the Group from its peers, and allow the Group to remain more competitive throughout the commodities cycle.

 More information on net cash flow from operating activities can be found on page 59

**C1 cash cost of production
(US\$/t)**

2025	76.3
2024	77.5
2023	76.5
2022	83.3
2021	55.8

Link to strategy pillars:



US\$76.3/T

2025 performance

Even though pellet production decreased in 2025, the C1 cash cost per tonne for pellets decreased to US\$76.3 per tonne, compared to US\$77.5 per tonne in 2024. This decrease is mainly due to lower fuel costs because of reduced mining activities and a reduction in maintenance and repair programmes.

At the same time, the C4 cash cost per tonne of concentrate benefited from the significant increase in the production volume in 2025, resulting in a decline in unit costs to US\$50.3 per tonne from US\$55.3 per tonne in 2024. The cost difference per tonne for the two products and the significant shift in the ratio were the main reasons for the reduction in the cost of sales in 2025.

2026 outlook

The war in Ukraine affects a range of production outcomes and the Group will likely continue to operate below full capacity. Continued attacks on Ukrainian energy infrastructure are likely to result in an ongoing need to import power, and supply chains for key consumables will continue to be constrained.

 More information on C1 cash costs of production can be found on page 55

Non-financial KPIs

Lost-time injury frequency rate ("LTIFR")

2025	0.38
2024	0.54
2023	0.32
2022	0.51
2021	0.41

Link to strategy pillars:



0.38 LTIFR

2025 performance

Safety is the Group's highest priority. An organisation's lost-time injury frequency rate ("LTIFR") is calculated as the number of lost-time injuries incurred by an organisation's workforce (being employees and contractors) per million hours worked. The Group's LTIFR has remained at a low industry comparative level. In 2025, the LTIFR averaged at 0.38, below the Group's historical five-year trailing average of 0.52 and lower than the 0.54 reported in 2024. This is due to a decrease in the number of reported injuries during the year. The Group's operations have remained fatality-free for more than five successive years.

2026 outlook

The future performance of the Group is largely dependent on the ongoing war in Ukraine and the levels of achievable sales due to logistics restrictions. The market outlook for iron ore prices and pellet premiums is subdued due to prevailing weakness in steel markets, especially in Europe, and expectations of higher exports of lower grade iron ore supply from Australia, Brazil and West Africa.

More information on safety can be found in the People and Production Review sections.

Diversity in management roles (%)

2025	25.8
2024	22.9
2023	22.3
2022	20.9
2021	20.1

Link to strategy pillars:



25.8% female

2025 performance

Female representation in managerial positions increased to 25.8% in 2025, compared to 22.9% in 2024, following a multi-year trend from 18% in 2019. This means that the Group has surpassed its target of 25% by 2030.

Ferrexpo has initiatives to promote diversity in multiple forms – including based on gender, disability, sexual orientation, and cultural diversity. Gender diversity is measured in a variety of ways, including total workforce and female representation in management positions. The Group chooses to focus on female representation in management roles as a reporting metric, as it reflects our commitment to promoting innovation through greater diversity of perspective, experience and thought.

2026 outlook

The Group's diversity programme is targeting female representation across departments and levels within our organisation. Our lead programme for promoting gender diversity in management roles is our Fe_munity Women in Leadership programme ("Fe_munity"), which is now in its sixth year of selecting and training high potential future female leaders of our business. This programme has trained more than 200 participants since its inception.

More information on diversity can be found in the People and Responsible Business Review sections.

Greenhouse gas emissions (kg/t)

2025	80
2024	94
2023	89
2022	91
2021	92

Link to strategy pillars:



80 KG/T

2025 performance

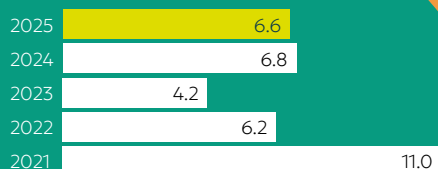
Scope 1 and 2 emissions intensity on a per tonne unit basis decreased by 15% to 80kg/t 2025, compared to 94kg/t in 2024. The decrease reflects an increased proportion of pellet feed concentrates being produced and sold in 2025 relative to pellets, with the production of pellet feed concentrates requiring fewer processing stages at site. This imported power is generated from carbon-intensive sources, in contrast to domestic electricity generated from cleaner hydro and nuclear sources. Compared to the Group's 2019 baseline, this represents a 39% reduction. Absolute Scope 1 and 2 emissions decreased by 23% year-on-year, reflecting lower annual production.

During the year, the Group produced 82 thousand tonnes of DR pellets, a sharp contrast to the previous year. Consequently, Scope 3 emissions on a unit basis increased from 1.3tCO₂/t of overall production in 2024 to 1.6tCO₂/t in 2025. Absolute Scope 3 emissions increased 8% year-on-year, reflecting the concentrate-centred overall production and increased seaborne logistics.

2026 outlook

The Group aims to continue its decarbonisation pathway, although the prolonged war is impeding progress and certain targets require revision. This was addressed in the Group's second Climate Change Report published in December 2024. The current targets include a 50% reduction in Scope 1 and 2 emissions by 2030 and net zero by 2050.

More information on emissions can be found in the Responsible Business Review section.

Sales volumes (%)**Link to strategy pillars:**

4% decrease

2025 performance

Group sales decreased by 4% to 6.6 million tonnes compared to 6.8 million tonnes in 2024, due to a forced downscale in production following the suspension of VAT refunds and the limited availability of power in the fourth quarter following attacks on Ukrainian energy infrastructure.

During the year, the Group diversified its product and sales mix in response to weak demand for pellets in Europe. The ratio of concentrates to pellets sold increased to 44% in 2025 compared to 12% in 2024. Continued access to Ukrainian Black Sea ports permitted an increase in total sales to customers in MENA and Asia using larger vessels, and also to switch some sales to European customers from more costly rail and barge to lower cost seaborne routes. Further sales diversification is observed with the number of customers during the year increasing by five, one of which is in a new country.

2026 outlook

As long as it remains safe and economic to do so, the Group intends to continue exporting its products from Ukrainian Black Sea ports. This means that, whilst Europe remains a core regional market, the Group aims to continue sales to Asian customers.



More information on sales can be found in the Market and Financial Review sections.



A portrait of Viktor Lotous, a middle-aged man with short grey hair, wearing a dark blue suit jacket over a white shirt. He is looking slightly to the right of the camera with a serious expression. The background is a blurred indoor setting.

OPERATIONAL REVIEW

The Group maintained production above six million tonnes for the second year in a row, including an all-time record of 2.9 million tonnes of premium grade iron ore concentrate.

Viktor Lotous
FPM General Director & Chair
of FPM Management Board

Q&A

“

A return to full capacity is complex. A complexity that we relish, are planning for, and hope will become a reality.

”

In 2025, operations adapted to new challenges posed by the war, a forced down-scale due to the suspension of VAT refunds and shifting dynamics in iron ore markets.

Q

DURING 2025, THERE WERE PERIODS WHEN THE SUPPLY OF POWER WAS LIMITED OR CUT ALTOGETHER. HOW DO YOU MANAGE OPERATIONS IN SUCH DYNAMIC SITUATIONS?

During periods of partial power restrictions or full outages, our priority is always the safety of our people, the protection of critical equipment and the preservation of operational continuity wherever possible.

To manage these risks, we have established a range of organisational and technical safeguards across the Group. These are designed to reduce the risk of injury, fire, explosion or damage to process equipment, while also limiting disruption to production. Each operating area of the plant maintains access to independent back-up power sources, including standby generators of different capacities, to support critical systems and essential equipment in the event of supply interruptions.

In parallel, we actively manage our electricity consumption through daily analysis of hourly demand across the business, alongside the monitoring of prevailing power supply prices. This enables us to optimise consumption patterns and work closely with the distribution system operator to secure the most appropriate power volumes at the most optimal cost at different times of the day.

Where supply constraints arise, we also seek to mitigate the operational and financial impact through the active management of contracted electricity volumes, including the purchase of additional supply or the sale of surplus volumes, as appropriate.

Q

IN RESPONSE TO THE SUSPENSION OF VAT REFUNDS, YOU WERE FORCED TO CUT COSTS. WHERE DID YOU FOCUS? AND WHEN YOU DO START TO REBUILD CAPACITY IN THE FUTURE, WILL YOU HAVE TO SPEND MORE TO CATCH-UP?

In response to the suspension of VAT refunds, we implemented a targeted cost management programme across the business to protect liquidity, preserve financial stability and maintain competitive production costs.

Our focus was on those areas where expenditure could be reduced without compromising the safety or integrity of the operation. In particular, we reduced stripping activity in our mining operations and deferred non-critical repair and maintenance work, all of which was consistent with the temporary scaling back of production.

While these actions were appropriate in the circumstances and delivered necessary short-term savings, they are likely to have some deferred cost impact as operations recover. As we move back towards higher production levels and a longer-term planning horizon, we will need to increase investment in stripping and maintenance catch-up activity to support a more sustainable operating profile.

Q

IN 2025, YOU EXPANDED YOUR PRODUCTION AND SALES MIX TO INCLUDE MORE PREMIUM CONCENTRATES. HOW DID YOU ACHIEVE THIS IN SUCH A SHORT PERIOD OF TIME?

Our ability to increase the share of premium concentrates in the production and sales mix was the result of early investment, strong execution and close coordination across the business.

“

In 2025, our strategic focus shifted from being a pure iron ore producer to also being a significant producer of premium iron ore concentrates.

”



16.8MT

Ore mined (2024: 20.0MT)

14.5MT

Ore processed (2024: 16.3MT)



6.1MT

Production
(2024: 6.8MT)



In August 2024, we commenced investment in additional concentrate production capacity, including the development of a new concentrate shipment complex aimed at improving operational efficiency and flexibility. At the same time, our teams developed and implemented innovative technical solutions to support concentrate storage and loading into rail wagons. This work was delivered at pace and within budget.

As a result, we improved our ability to respond to changing market conditions, build inventory and better balance loading and shipment schedules. That increased flexibility was instrumental in maintaining production stability and supporting a greater proportion of premium concentrate sales in a complex and volatile operating environment.

Historically, our principal commercial product was pellets and, accordingly, our cost reporting was primarily structured around pellet production. In practice, this meant that our C1 cost of production reflected the full cost of producing pellets, including the cost of producing concentrate as an intermediate product before further processing into pellets.

As concentrate sales became a more significant part of the business, we considered it important to provide a more transparent allocation of costs between the two product streams. For that reason and reflecting the additional expenditure required to support increased concentrate production, we introduced a C4 cost metric in our interim results. C4 is an industry-standard measure for the cost of producing commercial concentrate and allows us to attribute costs to that product more accurately on a cost accounting basis.

This twin-track approach provides greater transparency and a more accurate basis for assessing operational performance and supporting strategic decision-making in relation to product mix and sales.

Given the duration and ongoing impact of the war, our current estimate is that a return to pre-war production levels could take up to 36 months, although this could be shorter under more supportive operating and market conditions.

The principal prerequisites for such a recovery are the availability of appropriately skilled personnel, reliable access to power and sufficient working capital to support a phased ramp-up. Above all, any return to higher production levels must continue to be underpinned by a strong focus on employee safety.

A return to full capacity will be complex, but it is a scenario we have been planning for carefully and one we stand ready to pursue when conditions permit.

Viktor Lotous

General Director & Chair of FPM Management Board



CASH COSTS DECREASED OVER THE YEAR, IN PART DUE TO COST-CUTTING, BUT ALSO DUE TO REDUCED ACTIVITIES. CAN YOU EXPLAIN THE MAIN CHANGES IN THE BREAKDOWN? ALSO, YOU INTRODUCED A C4 COST THIS YEAR. WHAT IS THIS ABOUT?

In 2025, our production profile evolved materially. Historically, the business was predominantly focused on iron ore pellets, but during the year we also became a significant producer of iron ore concentrate. Concentrate accounted for 48% of total production in 2025, compared with 10% in 2024 and 2% in 2021, the last full year before the full-scale invasion of Ukraine.

This shift reflected a deliberate response to changing market demand, supported by close collaboration across operations, sales, marketing and finance. It also enabled us to optimise production volumes and improve the absorption of fixed overheads across a more flexible product mix.



WHEN THE WAR IN UKRAINE ENDS, HOW LONG WILL IT TAKE TO RAMP UP PRODUCTION CAPACITY TO PRE-WAR LEVELS AND WHAT ARE THE CRITICAL FOCUS AREAS?

Since the full-scale invasion of Ukraine, we have continued to model and update a range of scenarios for returning to pre-war production levels. These planning efforts intensified further during the latter part of 2025.

Our assessment focuses on several critical factors: the availability of skilled employees, the condition and readiness of our mining fleet and processing equipment, the restoration of stripping activity levels and ore availability to ensure sufficient feed to the plant, and the timeline for returning all four pelletising lines to full capacity.

OPERATIONAL REVIEW CONTINUED

Located along the Kremenchuk Magnetic Anomaly our mineral reserves are sufficient to operate for more than 50 years at 30Mtpa.

Since our IPO, we have invested more than US\$3.5 billion in expanding and developing two contiguous operating mines and a mine development project to feed ore to our established processing facilities.



0 FATALITIES

for the fifth consecutive year

0.38 LTIFR

(0.54: 2024)

OPERATIONS

As access to Ukrainian Black Sea ports remained open for most of 2025, the Group was able to continue operating at a larger scale because of the ability to transport its products by seaborne vessels.

During the year, the Group completed its investments in adding concentrator lines in the beneficiation plant, which allowed for the expanded production of concentrates, shipped on capsize vessels to customers in Asia. This pivot to a blend of premium concentrates and pellets helped to keep our mining and processing operations running at higher rates. The benefit of operating at scale is threefold. First, from a social perspective, more people are employed and more money flows into the local community. Second, large fixed costs are spread over more units of production. And third, the integrity of our plant and equipment is maintained.

The impacts of the withholding of VAT and relentless attacks on Ukraine's energy grid affected our ability to produce. Towards the end of 2025, we had to make the decision to temporarily suspend production to preserve cash. Into 2026, production has resumed, but is still limited to approximately one quarter of our pre-war capacity.

Health and safety

In 2025, the Group recorded its fifth successive workplace fatality-free year. During 2025, our safety performance improved, with the LTIFR falling to 0.38 from 0.54 in the previous year and back below the historic five-year rolling average of 0.52.

For more information on the Group safety performance see the People section and Health and Safety subsection in the Responsible Business section.

Reserves and Resources and mines

Ferrexpo controls licences covering a series of contiguous deposits located along the Kremenchuk Magnetic Anomaly, a magnetite deposit that extends for more than 50 kilometres. The Group has three contiguous mines along the strike including:

Ferrexpo Poltava Mining, ("FPM") is the largest open pit mining operation in Europe that has been operating for more than 50 years.

Ferrexpo Yeristovo Mining ("FYM") is an open pit mining operation that has been operating for 17 years and was the first new mining operation since Ukraine became independent.

Ferrexpo Belanovo Mining ("FBM") is a development project located just to the north of Yeristovo. Mining development commenced in 2018, however, this has been paused due to the war in Ukraine.

The three operations are located approximately 19 kilometres along the strike, with the remaining deposit, called the Northern Extensions, providing exploration potential for decades to come.

Across the Group's three operations, JORC-compliant Ore Reserves at 1 January 2025 are estimated to be 1,579 million tonnes of iron ore, with an iron ("Fe") content of 32% Fe (1 January 2024: 1,595 million tonnes grading 32% Fe). The JORC-compliant Mineral Resource estimate across our three mines is 5,717 million tonnes of iron ore, with an iron content of 32% Fe (1 January 2024: 5,701 million tonnes grading 32% Fe), which is inclusive of Ore Reserves.

More information detailing the Group's JORC-compliant Ore Reserves and Mineral Resources as at 1 January 2026 is detailed in this report, including an expanded section detailing how we updated our Reserves and Resource models during the year.

Mining activities

In 2025, the production activities of the Company were carried out with limited interruptions throughout most of the year, though due to attacks on energy infrastructure in November and December production went through a stop and restart cycle. Despite this external factor that is outside of our control, all mining subdivisions worked seamlessly to deliver constantly evolving targets and mining plans – demonstrating our ability to manage and respond with agility.

Systematic maintenance and repair of equipment played an important role in sustaining a high level of reliability and availability of the mining fleet. During the year, a planned and preventive approach continued to be applied.

This included preventive inspections, diagnostics and timely replacement of parts and assemblies, as well as the performance of maintenance in accordance with approved schedules and regulations. This ensured a high rate of equipment availability, whilst minimising emergency situations and avoiding long downtimes.

In total, for the year, 16.8Mt of ore was mined at a stripping ratio of 1.4, compared to 20.3Mt at a stripping ratio of 2.2 in 2024.

The presence of the necessary stocks of spare parts and consumables through timely interaction with suppliers are one of the factors that enabled stable operations. In 2025, no disruptions in the supply of critical items were recorded, which allowed the Company to maintain equipment in proper technical condition and avoid unplanned downtime.

Processing and beneficiation activities

During 2025, the availability of power and the associated tariffs worsened. This was particularly the case in the fourth quarter due to relentless Russian attacks on energy power generation and transmission infrastructure, which resulted in a shortfall in our budgeted production targets.

In January 2025, a second phase of our expanded commercial concentrate production capabilities was realised on pelletiser line one was launched. This was expanded in September to include pelletiser line three. These projects allowed us to produce more concentrate in the third quarter and become more flexible in the production of commercial concentrate. Also, in 2025, a number of measures were developed and implemented that allowed us to reduce the cost of our products. In addition, during 2025, a number of repairs were conducted at the Processing Complex, which allows us to look to 2026 with optimism.

Ukrainian logistics

Ukraine has a dense rail network, which provides access from the Group's operations in Horishni Plavni south to Ukrainian Black Sea ports for onward shipping by sea and further south by rail to the River Danube for onward shipping by river barges. Cargoes are also railed west to the western border, for onwards railing to Eastern and Central Europe. All of the rail routes used by Ferrexpo are electrified.

OPERATIONAL REVIEW CONTINUED



During 2025, the Group managed to ensure transportation, in part by its own fleet of more than 3,000 rail wagons, more than 200 barges, and an interest in port facilities on the Black Sea. Almost 90% of the transport requirements were covered using Ferrexpo's own rail wagons with the balance leased from third-party suppliers.

Transportation and logistics became more challenging in the second half of 2025 due to missile and drone strikes on critical infrastructure nodes, including bridges on routes to Black Sea ports, resulting in longer rerouting and journey times. Also, in December, following large-scale attacks on Ukraine's energy generation and transmission infrastructure, the resulting reduction in electricity availability forced the need to switch from electric to diesel locomotives which are slower. Longer journey times reduce the availability and utilisation of rail wagons, resulting in a temporary need to lease additional wagons.

The Group's own maintenance facilities played an important role in ensuring uninterrupted transportation. Existing on-site facilities covered nearly all the needs for maintenance, repair, and reconstruction of railway wagons, thereby reducing the dependence on external contractors and ensuring the satisfactory availability of rolling stock.

With effect from 31 July 2026, Ukrzaliznytsia increased its rail way freight tariffs by approximately 36%, in local currency, which is likely to have an impact on Ferrexpo's future profitability and cash flow generation. However, Ferrexpo is carefully analysing the potential impact of this decision and considering ways to minimise costs.

Belanovo update

Due to the imposition of martial law in Ukraine, mining and development activities at FBM have been temporarily suspended.

The Special Permit for the Use of Subsoil of the Belanovo Deposit No. 3572 ("Special Permit No. 3572") was valid until 20 December 2024. However, in accordance with the Article 15 of the Subsoil Code of Ukraine, validity period of the specified permit was automatically extended for the period of martial law, in addition to a six-month extension after the lifting of martial law.

FBM continues to cooperate with state authorities and Ukrainian business associations with the aim to extend the validity period of Special Permit No. 3572 after the eventual lifting of martial law. This includes efforts to initiate amendments to the Subsoil Code of Ukraine. At the present time, the Ukrainian Parliament is considering draft legislation titled: "On Amendments to the Subsoil Code of Ukraine to Improve Legal Regulation of Subsoil Use and Provide Guarantees to Investors" (Registration No. 14249 dated 26.11.2025). This draft

legislation proposes amendments to Part 5 of Article 15 of the Subsoil Code of Ukraine, about the extension of the validity of special permits for 24 months after the lifting of martial law. FBM participated in the initiative to develop this draft legislation together with the National Association of Extractive Industries of Ukraine.

In 2025, following a reduction in the Belanovo Deposit licence area from 989 to 716 hectares, the State Commission on Resources of Ukraine approved a re-estimation of resources within the reduced licence area, resulting in a smaller pit. As a result, the total mineral resource of this deposit is expected to reduce to approximately 614 million tonnes. This figure is not JORC compliant and does not represent a new JORC re-estimation. Accordingly, the JORC Mineral Resource for the Belanovo Deposit on page 49 remains unchanged at 1,702 million tonnes and will be reviewed at a later date.

C1 cash cost of production

C1 costs reflect the Group's operating costs for the production of iron ore pellets, with a breakdown of the different cost components shown in the graph on page 48.

In 2025, the proportion of the C1 costs per tonne for electricity increased to 34% (2024: 32%). The average electricity price in Ukraine in 2025 increased by 11% in US dollar terms, peaking at US\$173 per megawatt hour ("MWh") in February 2025 compared to an average of US\$136 per MWh

OPERATIONAL PERFORMANCE

(000't unless otherwise stated)

	2025	2024	YoY Change
Production			
Iron ore mined	16,849	20,278	-17%
Strip ratio	1.4	2.2	-37%
Iron ore processed	14,500	16,331	-11%
Concentrate production	6,068	6,723	-10%
Pellet production	3,221	6,071	-47%
– Direct reduction pellets (67% Fe)	82	490	-83%
– Premium pellets (65% Fe)	3,140	5,581	-44%
Commercial concentrate production	2,920	709	+312%
Total commercial production	6,142	6,780	-9%
Iron ore sales			
– Pellets	3,701	6,010	-38%
– Concentrate	2,851	819	+248%
– Total products sold	6,553	6,830	-4%

The numbers reported are scaled to thousands of tonnes, however the percentages are calculated on the full numbers.

FBM licence extension and mineral reserve re-estimation

in 2024. The proportion of natural gas increased to 10% (2024: 7%) due to price increases – the average price of natural gas increased by 44% in local currency terms and 38% in US dollar terms, respectively. The proportion of fuel decreased from 9% in 2024 to 6%, mainly due to the reduction of the Group's mining activities in 2025. As a result, total fuel costs and therefore fuel proportion decreased, driven in part by lower fuel prices in 2025.

The increase in the proportion for materials from 12% in 2024 to 13% in 2025 is due to higher local inflation, partially offset by the effects of the devaluation of the Ukrainian hryvnia. The increase in the proportion of personnel costs from 8% in 2024 to 10% in 2025 is largely due to a more negative absorption of fixed costs per tonne of pellets produced.

Due to the ongoing war in Ukraine, which led to a decrease in production activities compared to the pre-war period, the Group reduced its maintenance and repair programmes for mining and processing equipment in 2025 to save costs.

C4 cash cost of production

The Group's C4 costs per tonne represent the cash cost of the production of agglomerated magnetite iron ore concentrate, divided by the production volume. The C4 costs exclude non-cash costs such as depreciation, pension costs, and inventory movements. The C4 cash cost of production (US dollars per tonne) is regarded as an Alternative Performance Measure ("APM").

The Group's average C4 costs decreased to US\$50.3 per tonne, compared to US\$55.3 per tonne in 2024.

The main C4 costs drivers are the price of electricity and diesel in Ukraine, which are outside of the Group's control. The increase of the C4 costs in 2025 was driven primarily by the sharp increase in electricity prices as a result of the attacks on domestic power infrastructure in Ukraine, resulting in the need to import electricity from neighbouring European countries at higher prices. A decreased mining and maintenance activities during the year resulted in a lower proportion of diesel consumption and repair costs.

Due to the martial law in Ukraine, the mining operations at Belanovo are paused.

The expiry date of the Belanovo deposit licence was 20 December 2024. However, and based on the existing Ukrainian legislation, the validity period of the Special permit No.3572 for Belanovo deposit has been automatically extended until the end of martial law. The current period of martial law is due to end on 31 October 2026, when it is expected to be extended for a further 90 days. When martial law is eventually lifted, it is anticipated that FBM will have a period of six months within which to file an application to extend its licence.

In early 2024, geological and economic re-estimations of the Belanovo Deposit mineral reserves were conducted. The results of the geological and economic re-estimations were approved by the State Commission of Ukraine on Mineral Resources. According to the results of the re-estimations the licence area of Belanovo Deposit was reduced from 989 to 716 hectares, the area of the Belanovo Deposit contour was reduced, lean ores (K232 and K233) were written off, and the volume of the balance Mineral Reserves of Belanovo Deposit was reduced from 1,706 million tonnes to 614 million tonnes.

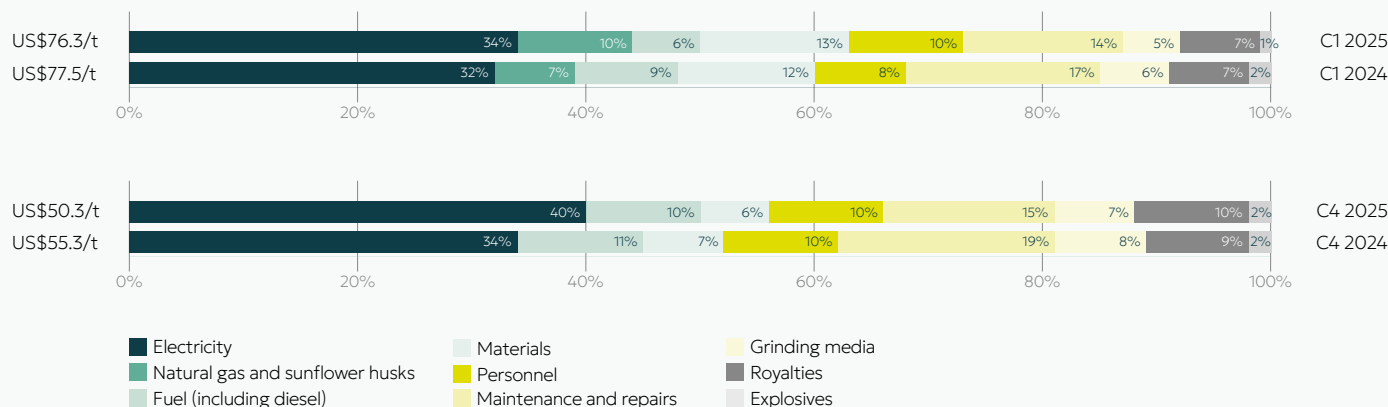
In February 2025, the Ukrainian Geological Survey provided the original of the updated Special permit No. 3572 for Belanovo Deposit.

FBM continues to work with the State Authorities and Ukrainian business associations regarding the extension of the Belanovo Deposit licence due to the extension of martial law period and amendments to the Subsoil Code of Ukraine, to provide the possibility of the extension of the special permit.

During the year, the first volunteer firefighting team, which includes FBM employees, was established for the mining industry of Ukraine. The team was involved in extinguishing fires as a result of the shelling of the critical infrastructure facilities in Kremenchuk District.



OPERATIONAL REVIEW CONTINUED



All numbers above are rounded to full decimals.

Breakdown of C4 costs

The main C4 costs components are electricity, grinding media and diesel, which collectively represent 57% (2024: 53%) of the total cost base as presented in the chart above with changes and the proportions of the different cost components.

In 2025, the proportion of the C4 costs per tonne for electricity increased to 40% (2024: 34%). The average electricity price in Ukraine in 2025 increased by 11% in US dollar terms, peaking at US\$173 per megawatt hour ("MWh") in February 2025 compared to an average of US\$136 per MWh in 2024. The proportion of fuel decreased from 11% in 2024 to 10%, mainly due to the reduction of the Group's mining activities in 2025. As a result, total fuel costs and therefore fuel proportion decreased, including as a result of lower fuel prices in 2025. The proportion of personnel costs in 2025 remained the same as in 2024 at 10%.

Due to the ongoing war in Ukraine, which led to a decrease in production activities compared to the pre-war period, the Group reduced its maintenance and repair programme for mining and processing equipment at a similar level as in 2024.

Outlook

Depending on the sustainable supply of power, the Group intends to continue the operation of one to two pelletiser lines.

Logistics availability will continue to determine sales and production during 2026. Depending on the availability to continue exporting through Ukrainian Black Sea ports, the Group intends to resume exports through this route.

The Group cannot with any certainty offer production and cost guidance for 2026 in the current environment.

JORC-COMPLIANT ORE RESERVES AND MINERAL RESOURCES¹

The Ore Resources and Mineral Reserves update for our assets was prepared in accordance with the guidelines prescribed by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012 edition), as required by the Listing Rules of the London Stock Exchange.

Since Ferrexpo's mineral assets are located in Ukraine, we also issue reports to the State Commission on Reserves ("DKZ") of Ukraine on a regular five-year term basis. DKZ is the only regulatory jurisdiction in Ukraine on Resources and Reserves. Our Competent Persons and external consultants are versed in the correlation appraisals of both systems.

The last updates of our Reserve and Resource estimates were conducted in August 2020, 17 months before the full-scale invasion of Ukraine. Both Gorishne-Plavynske-Lavrykivske ("GPL" or "FPM") and Yerystivske ("Yeristovo" or "FYM") Deposits were

re-estimated in a joint effort with Bara Consulting Pty Ltd, Tecoma Strategies Ltd and Ferrexpo Services Ltd. The Competent Persons from all these parties have been involved in the mining industry for several decades in various roles, have international experience in exploration, geostatistics, resource and reserve estimation, project development, and in the economic evaluation of mineral deposits including iron ore, are members of professional institutions such as the Australian Institute of Geoscientists and Australian Institute of Mining and Metallurgy, are bounded by the AIG Code of Ethics and the South African Natural Scientists Act, as well as by personal declarations, and are independent from the Company.

For the purpose of the 2026 Resource and Reserve update, the geological interpretation for the FPM, FYM, Bilanivske ("Belanovo" or "FBM") and Northern Extension Deposits were checked and updated where necessary following new data collected during 2023-2024 exploration campaign.

The 2026 Resource and Reserve models for referred deposits were subsequently updated using the same interpolation parameters and reporting criteria applied in 2020 to keep consistency with previously reported numbers. In addition to iron grades, the deleterious elements and metallurgical domains have been modelled and added to the model. In addition, the bulk densities have been studied geostatistically and interpolated into the model.

1. Ferrexpo Gorishne-Plavynske-Lavrykivske and Yerystivske deposit Mineral Resource and Ore Reserve statement, 14th August 2020, Copyright Bara Consulting Limited



This has resulted in an improvement in the accuracy of local estimates.

The geological understanding of the nature of iron mineralisation has formed the basis of all the interpretations including lithologies, grade and metallurgical domains. Those interpreted domains have then been wireframed using Datamine mining software. Quality Control and Quality Assurance, statistical analysis, top-capping and estimation were carried out using Ordinary Kriging. Modelling has been undertaken with recognition of the mining method and selective mining unit parameters and the resource classification reflect drillhole spacing, data quality, geological and grade continuity. All FPM, FYM and FBM models have records of historic mining. Further details are available in previous release of the Ore Resource and Reserve statement (2020).

Mineralisation has been modelled via cross-sectional interpretations, using deposit appropriate lower cut-off grade shapes within mineralised geological domains. Geological understanding has formed the basis of all interpretations. In addition to the iron ore bodies the resulting deposit models contain host rock lithologies that allows for accurate prediction of dilution and moved material tonnages.

The Dynamic Anisotropy geostatistical method was chosen for estimation, as it not only takes the spatial interdependence of drill hole data into account but also orientates the searching volume to follow the structural trend of mineralisation. Because the Dynamic Anisotropy option allows for the rotation angles for the searching volume, the semivariogram is defined individually for each block model cell. As a result, any misalignment of the searching volume is avoided and the negative effect of extrapolation of ore into waste and vice versa are minimised.

To take into account different scenarios of economic extraction, the resource block model was built to the maximal depth of -1,000m Reduced Level, including both ore and surrounding strata, and covering the surface well beyond the mining licence areas.

All deposits have been depleted for mining during the 2025 financial year. The Competent Person updated the FPM and FYM deposits as of 1 January 2026 by assigning digital terrain wireframes for current pit surfaces to modernised Resources and Reserves models, and subtracted the mined ore volumes from the Total Resource and Reserves figures as of 1 January 2026. Reconciliation of the model against actual mining data reported to DKZ has been conducted. Accuracy of both FPM and FYM models

considering modelled and actually mined ore tonnages and grades in 2025 is below 2% difference. Considering that the Resources and Reserves estimates are not exact calculations, the estimated tonnages and grades were rounded to the nearest whole numbers as prescribed by the JORC Code (2012) reporting rules.

The current Resource and Reserve update concerns only the FPM and FYM Deposits since the FBM Deposit is currently going through the process of extending the duration of the mining permit for the next 20-year term. The next full re-estimation of Resources and Reserves, including Belanovo, will be conducted when the following conditions are met:

- Writing-off the low-grade lean ore from the total Ferrexpo Resource balance
- Implementation of the new edition of the JORC Code, the draft has already been released for public consultation
- An end to the war in Ukraine.

JORC-COMPLIANT ORE RESERVES AND MINERAL RESOURCES¹

	Proven			Probable			Total		
	Mt	Fe total %	Fe magnetic %	Mt	Fe total %	Fe magnetic %	Mt	Fe total %	Fe magnetic %
JORC-compliant Ore Reserves									
FPM*	292	33	26	800	31	23	1,092	32	24
FYM**	202	30	25	285	33	26	487	32	26
Total	494	32	26	1,085	32	24	1,579	32	25

	Measured			Indicated			Inferred			Total		
	Mt	Fe total %	Fe magnetic %	Mt	Fe total %	Fe magnetic %	Mt	Fe total %	Fe magnetic %	Mt	Fe total %	Fe magnetic %
JORC-compliant Mineral Resources												
FPM	458	35	29	1,598	30	22	744	32	24	2,800	31	24
FYM	251	35	29	566	34	27	382	33	27	1,199	34	27
FBM***	336	31	24	1,149	31	23	217	30	21	1,702	31	23
Total	1,045	34	27	3,313	31	23	1,343	32	24	5,701	32	24

* Formally in Ukraine known as *Gorishne-Plavynske-Lavrykivske ("GPL"), **Yerystivske and ***Bilanyivske.

1. The Group's JORC-compliant Ore Reserves and Mineral Resources shown above are based on an independent review completed by Bara Consulting and are shown on a depleted basis as of 1 January 2026.

FINANCIAL REVIEW

In 2025, our business continued to be shaped by a fourth year of war in Ukraine, alongside the cyclical dynamics of the global iron ore and steel markets. These challenges were compounded by the Ukrainian tax authorities' decision to withhold VAT refunds due to the Group.

Nikolay Kladiev
Group Chief Financial Officer

Q&A

“
Restoring VAT refunds to Ferrexpo would generate contributions to the economy that exceed the amounts currently being withheld.
”

The finance team is the common thread that binds the business together, from the mines to the ports, across all business functions.



IN 2025, THE UKRAINIAN TAX AUTHORITIES SUSPENDED VAT REFUNDS TO YOUR TWO MAIN UKRAINIAN OPERATING SUBSIDIARIES, FPM AND FYM. WHAT WAS THE REASON BEHIND THIS DECISION AND WHAT HAS BEEN THE IMPACT? WHEN DO YOU THINK YOU COULD START TO GET VAT BACK AND RECOVER THE AMOUNTS OWED?

This unjustified decision has forced us to reduce our operations and exports, inflicting damage on our employees and their communities, our Company, and Ukraine in general. We calculate that as a result of holding back US\$61 million of VAT refunds in 2025, our total socio-economic contributions to Ukraine reduced by an estimated US\$180 million in total for the year. Where is the logic in this?

We have been informed that this decision is linked to the inclusion of Mr. Zhevago on a Ukrainian sanctions list. However, this investor is not a majority shareholder and has no involvement in the day-to-day management of our business. Furthermore, his interest is held in Ferrexpo plc and not in our Ukrainian subsidiaries.

It is difficult to say with any certainty when, or if, the VAT refunds will be restored. However, it is clear that the sooner this happens, the better, not only for our employees who have been furloughed or placed on shorter time, but also for the communities that rely on us for social support, our local suppliers and the many national industries that have seen a decline in earnings as a result of Ferrexpo's reduction in operations. Restoring VAT refunds to Ferrexpo would generate contributions to the economy that exceed the amounts currently being withheld. The situation as a whole defies logic.

To date, we have initiated several VAT related legal proceedings in the Ukrainian courts, a number of which have resulted in favourable judgements by the different courts in 2025 and the first months of 2026, but the amounts claimed have not yet been refunded by the tax authorities. However, in May, June and July 2026, five decisions from the court of appeal were not in our favour with all positive decisions in the court of first instance and one in the Supreme Court of Ukraine. We continue to believe in the merits of our position, although it is currently unclear whether and when the tax authorities will begin refunding the VAT claimed. In addition, we are working constructively with various Ukrainian Ministries to resolve this situation, while remaining in close supportive contact with embassies, international policymakers, and other persuasive stakeholders to bring this unwarranted situation to an end.



AS A RESPONSE TO THE VAT ISSUE, YOU WERE FORCED TO CUT COSTS. WHERE WAS THE MAIN FOCUS OF THIS COST CUTTING AND WHAT AMOUNTS DO YOU THINK THAT YOU SAVED? WILL YOU NEED TO MAKE FURTHER CUTS IN 2026?

As my fellow Board Member Fiona MacAulay and Exco Member Greg Nortje echo in their Q&As, it is the withholding of VAT refunds by the Ukrainian tax authorities that has led to the unfortunate outcome of forcing us to reduce production and cut costs. First and foremost, this affects our people. Our options were severely constrained, forcing us to make difficult decisions, including placing employees on furlough or reduced working hours. I want to emphasise that these decisions were not taken lightly; however, they were necessary to safeguard the Group's ongoing financial viability.

In my role as Group CFO I am the ‘custodian of the Group’s purse’, a purse that shrunk in 2025 because of the decisions taken by the tax authorities, that forced us to tighten spending. I am of the view that the finance team is the common thread that binds the business together, from the mines to the ports, and across both technical and administrative disciplines that drive the business. My team assesses and reassesses, on a daily basis, our situation and outlook and has to coordinate and control across the entire business capital allocation and spending discipline. We also plan across the short, medium and long term, identifying opportunities not only to sustain current production and sales volumes, but ultimately to restore the business to pre-war levels.

With every year that the war has prolonged, my overall assessment is that our path to recovery has also extended. If the refusal to refund our VAT extends into 2027, that situation means that our ability to restore production to pre-war level will take longer. This does not make sense for the recovery of Ukraine.



WHAT IS THE IMPACT ON LIQUIDITY AND YOUR CASH BALANCES DUE TO THE WITHHELD VAT? YOUR CASH BALANCE HAS DECREASED, AND YOU HAVE SOLD DOWN INVENTORIES. WILL YOU NEED TO SELL ASSETS OR RAISE FRESH CAPITAL TO KEEP GOING?

On balance, I think that it is fair to say, if one includes withheld VAT relative to our current cash position and overall liquidity, the Group has performed acceptably. But as I mentioned earlier, this has come at a human and social cost.

Adjusting for withheld VAT refunds, our cash position would be expected to be significantly higher, and demonstrating a fair performance given our current circumstances. If VAT refunds are restored, we have modelled scenarios that allow us to add back production capacity based on a slow working capital rebuild. This will take time, though.

If the supply and price of electricity are restored to more sustainable levels, there are alternative scenarios that could accelerate capacity rebuilding, providing the cost of capital is attractive to us.

Considering the challenging circumstances caused by the ongoing war and the suspended VAT refunds in Ukraine, the Group has been actively progressing a number of different work streams in respect of an equity capital raise of approximately US\$100 million, likely to be structured as a conditional placing of Ordinary Shares. The Board continues to believe that an equity raise is currently the most viable solution to support the Group’s working capital position and short-term operational requirements, allowing us to catch-up on previously deferred stripping and capital expenditures, while operating at a reduced level for the next 18 months. The Group has received indicative, non-binding expressions of interest to participate in the equity raise from institutional investors and has a binding subscription agreement for an amount of US\$40 million with its largest shareholder, but the successful completion of the equity capital raise of approximately US\$100 million is conditional on certain terms and conditions, including the passing of all resolutions by the shareholders of Ferrexpo plc during the upcoming shareholders’ meeting on 21 September 2026.



CAN YOU TALK THROUGH THE HEADLINE RESULTS? THEY LOOK LIKE THE WEAKEST RESULTS SINCE THE START OF THE FULL-SCALE INVASION IN 2022?

It is indeed our weakest annual result since the start of the Russian invasion in 2022. This is the case in terms of the reported underlying EBITDA and total loss for 2025. However, the large loss is attributable to a non-cash impairment loss, which is primarily a result of the suspended VAT refunds in Ukraine, which required an adjustment of the production plan. Looking at the result before impairment, we can see that the operating loss before taxes in the second half was significantly lower than in the first half of 2025, which is considered a positive development in this very difficult environment.

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Since the full-scale invasion of Ukraine in February 2022, Ferrexpo Group has invested more than US\$341 million in CapEx in Ukraine.

”

The same applies to total production volumes, which at 6.1 million tonnes in 2025, is close to 2024, admittedly with a significantly higher portion of premium concentrates forming part of the total production and sales mix. The operating result in 2025 was also affected by the decline in prices for iron ore products on the global market, which could not be offset by the lower production costs per tonne. Despite lower production costs per tonne in 2025, the Group’s production costs were still heavily influenced by higher prices for energy, key raw materials and consumables inputs. Further to that, the continued Russian attacks on the Ukrainian energy infrastructure affected the supply and price of power to the Group’s operations.



HOW MUCH CAPITAL IS REQUIRED TO GET CAPACITY BACK TO PRE-WAR LEVELS? WHAT WOULD THE TIMING BE AND WHAT ARE THE FOCUS AREAS? WHAT WOULD YOUR COSTS LOOK LIKE IN A STAGED RECOVERY AND WHEN MIGHT YOU BE IN A POSITION TO START PAYING DIVIDENDS AGAIN?

Since the full-scale invasion of Ukraine in February 2022, Ferrexpo Group has invested more than US\$341 million in sustaining and strategic development capital expenditures.



“

We plan for the short and long term; not only how to sustain activities during wartime, but one day to restore the business to pre-war levels.

”

As our Executive Chair says in his opening letter to this report, this has not only been about preserving the integrity of our assets, but also about optimising our production capabilities and enhancing the product mix, so that we remain relevant to our customers and their evolving needs and adapt to market dynamics.

Based on what we know today, the answer to the question is estimated at about US\$250 million. Throughout the war, I have openly shared how we have optimised our orebodies, limited spending on repairs and halted capital expenditure that does not offer near-term strategic or financial returns. As we look to a post-war recovery, the focus will need to shift to required stripping activities in order to improve face availability which will allow us to add back tonnes to feed the plant, to get capacity not just to where we were in 2020 and 2021, but actually ahead of that, thanks to our evolved production capability to diversify and supply a wider range of premium iron ore products to a broadened customer base.

In terms of dividends, 2021 was our best year. We paid our debt down and still returned a 13% yield to shareholders. Iron ore prices were of course exceptional that year. While we have modelled a range of scenarios, it is difficult to predict what lies ahead in a post-war recovery. However, as a producer of a suite of premium iron ore products, driven by sales rather than mine management, we operate in a unique and niche segment of the iron market and are well positioned to generate greater profits than the bulk lower-grade producers who dominate it.

Nikolay Kladiev

Group Chief Financial Officer,
Ferrexpo Plc

Providing data that adds value in challenging markets

In many senses we are a nexus that coordinates other functions of the business, providing the data necessary to drive short-term strategies for the business.

As an example, we liaise between our colleagues in marketing to identify which of our products, in which markets, at what times, will generate the best possible margin, whilst at the same time, making sure that our colleagues in operations are prepared and are allocated the cash resources that they need to produce these products, from mining the ores needed at the pit face to getting the finished products to port in time for export.



SUSTAINED RESILIENCE IN AN ADVERSE ENVIRONMENT

Ongoing politically motivated legal proceedings and fiscal decisions affecting the resulted in a significant impact on business activities and financial performance in 2025.

WITHHELD VAT REFUNDS

US\$61M

(2024: nil)

SOCIO-ECONOMIC LOSS TO UKRAINE

US\$180M

Due to withholding of
VAT refunds in 2025
(2024: nil)

NET CASH POSITION

US\$47M

Lower net cash position, mainly
due to suspension of VAT refunds
in Ukraine, in line with half year
(2024: US\$101 million)

NET CASH FLOWS FROM OPERATING ACTIVITIES

US\$3M

Significant decline driven
by lower realised prices
and VAT suspension
(2024: US\$92 million)

SUMMARY

The situation in Ukraine remained unpredictably challenging throughout the 2025 financial year, requiring a high degree of adaption and flexibility. In the first quarter, the Group demonstrated strong momentum, achieving the best quarterly production since the full-scale invasion in February 2022. However, this slowed for the remainder of the year as the Group had to absorb the full impact of the decision of the Ukrainian tax authorities to suspend VAT refunds.

In response to this situation, and in an environment of weak demand for iron ore pellets in Europe, to minimise the negative impact on liquidity and preserve cash, the Group pivoted its production mix to sell more iron ore concentrate to customers in China.

While this was a sensible strategy, it has an adverse effect on the Group's financial statements because concentrate sales generate lower revenue and profitability, which also skews comparables between 2025 and previous years.

For 2025, the Group reported a loss of US\$224 million, mainly due to a total impairment loss in the amount of US\$154 million on the Group's non-current operating assets, which was recorded as at 30 June 2025. The impairment primarily resulted from the effect of the suspended VAT refunds in Ukraine, which had to be adequately reflected in the Group's long-term models used for the impairment tests as at 30 June 2025 and 31 December 2025.

The risk of the suspension of VAT refunds was disclosed in the Group's 2024 Annual Report and Accounts as a non-adjusting post-balance sheet event. The suspension of VAT refunds affects the Group's cash flow generation and thus the expected timing of its potential return to pre-war production and sales levels after the end of the war.

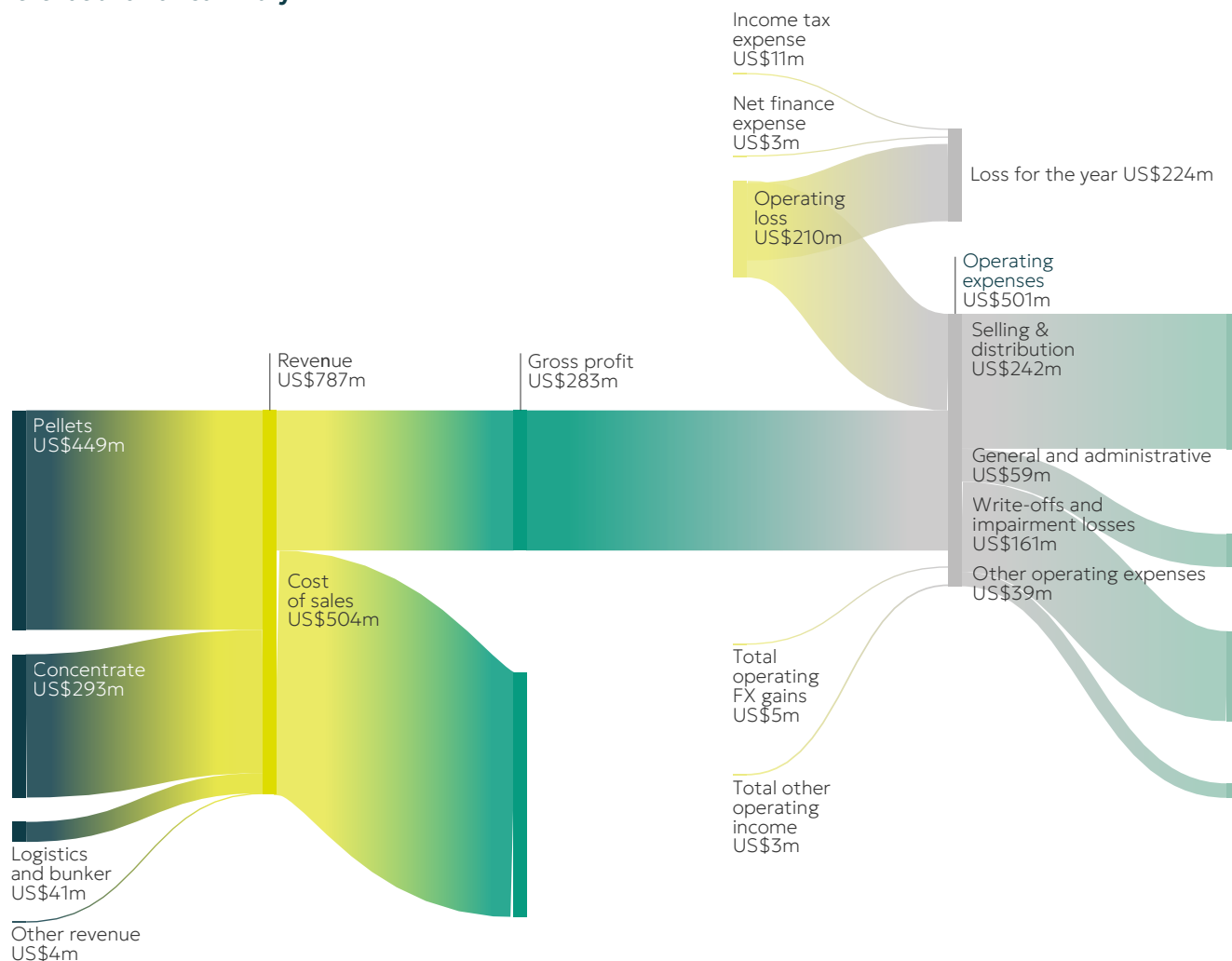
In the first quarter of 2025, the Group operated on average two pelletising lines, reducing to a single pelleting line for the remainder of the year. This affected the Group's production costs on a per tonne basis. As a result, the Group worked extensively to lower its cost base to remain financially viable. This included at times placing approximately a third of our employees in Ukraine on furlough or reduced working hours, further cuts in procurement of goods and services, the suspension of all non-essential capital expenditure programmes and CSR and humanitarian activities.

Index prices for the benchmark 65% Fe iron ore fines averaged US\$115 per tonne in 2025, 7% lower compared to 2024. Pellet premiums also fell, with the Atlantic blast furnace pellet premium 24% lower at US\$30 per tonne. These factors had a negative impact on realised margins and the Group's cash flow generation in 2025.

KEY FINANCIAL PERFORMANCE INDICATORS

US\$ million (unless stated otherwise)	2025	2024	YoY Change
Pellet production (kt)	3,221	6,071	(47%)
Concentrate production (kt)	2,920	710	311%
Total pellet and concentrate production (kt)	6,141	6,781	(9%)
Total sales volumes (kt)	6,553	6,830	(4%)
Iron ore price (65% Fe Index, US\$/t) ¹	115	123	(7%)
Revenue	787	933	(16%)
C1 cash cost of production (US\$/t)	76.3	77.5	(2%)
C4 cash cost of production (US\$/t)	50.3	55.3	(9%)
Underlying EBITDA ^A	28	69	(60%)
Underlying EBITDA ^A margin	3%	7%	(4pp)
Capital investment ^A	49	102	(52%)
Closing cash	58	106	(45%)
Closing net cash	47	101	(53%)

Revenue and P&L summary



The Group ended 2025 with a net cash position of US\$47 million (31 December 2024: US\$101 million and 30 June 2025: US\$50 million). Capital expenditure totalled US\$49 million for 2025, significantly lower than US\$102 million in the prior year.

REVENUE

Total revenue decreased by 16% to US\$787 million in 2025, compared to US\$933 million in 2024. This was mainly due to lower realised prices and the higher proportion of iron ore concentrate sales, which generate less revenue due to lower sales prices.

The total sales volumes decreased by 4% to 6.6 million tonnes, compared to 6.8 million tonnes in 2024. As mentioned above, the Group adjusted its production plan after the first quarter 2025 due to the suspended VAT refunds in Ukraine, resulting also in a shift in the ratio of pellets to concentrates sold as the Group was able to benefit from strong Chinese demand for its high-grade low-alumina iron ore concentrate. As a result, sales volume of concentrate represented 44% of the Group's sales in 2025, compared to 12% in 2024. Revenue from the sale of pellets and concentrate totalled US\$449 million and US\$293 million respectively, compared to US\$796 million and US\$85 million in 2024.

Revenue of sales from pellets and concentrate was affected by a 7% decline in the average benchmark iron ore price (65% Fe) and a 24% drop in the average Atlantic blast furnace pellet premium.

The average benchmark C3 freight (Brazil to China) index rates decreased by 12% to US\$21.9 per tonne compared to US\$24.9 per tonne in 2024. For Ferrexpo, shipping out of the Black Sea, the spread premium compared to the C3 rate narrowed, further reducing the average cost for the Group's shipping activities. This was, however, not sufficient to offset lower realised prices.

Following Russian attacks on the Ukrainian energy infrastructure in late 2025, the supply of power to its operations was temporarily restricted impacting production activities.

US\$ per tonne	2025	2024	YoY Change
Average 62% Fe iron ore fines price	102.4	109.4	(6%)
Average 65% Fe iron ore fines price	115.4	123.4	(7%)
Average 62%/65% spread	13.0	14.0	(7%)

For more information on the market factors influencing pricing of the Group's products and logistics, please see the Market Review section.

COST OF SALES AND COST OF PRODUCTION

Cost of sales in 2025 totalled US\$504 million, compared to US\$597 million in 2024. The total production of pellets and concentrates decreased by 9% to 6.1 million tonnes, compared to 6.8 million tonnes in 2024. The decline of cost of sales by 16% is mainly due to a significant shift in the ratio of pellets to concentrate produced, which was partially offset by higher production costs.

Pellet production decreased by 47% to 3.2 million tonnes, compared to 6.1 million tonnes in 2024. At the same time, concentrate production quadrupled from 0.7 million tonnes in 2024 to 2.9 million tonnes in 2025. The increase of the proportion of the concentrate production is linked to the suspension of VAT refunds in Ukraine. Lower production costs for concentrate result in a lower balance of outstanding VAT claims, which is beneficial for the Group's cash flow generation given the current suspension of VAT refunds in Ukraine.

“

The Groups C1 and C4 costs both fell during 2025, demonstrating the impact of deep cost-cutting despite the more challenging environment.

”

UKRAINIAN HRYVNIA VS. US DOLLAR²
UAH per USD

SPOT 28.08.26

44.545

OPENING RATE 01.01.25

42.039

CLOSING RATE 31.12.25

42.388

AVERAGE 2025

41.689

AVERAGE 2024

40.152

The Group's C1 and C4 cash cost of production ("C1 costs" and "C4 costs") per tonne represent the cash cost of the production of iron ore pellets or concentrate, divided by the respective production volumes. The C1 and C4 costs exclude non-cash costs such as depreciation, pension costs and inventory movements. Following the sharp increase of the volume of concentrate produced in the first half of 2025, the computation of the C1 costs per tonne was amended so that only the costs related to the pellet production are divided by the volume of produced pellets. Considering the further increase of the concentrate production, the computation of C1 costs per tonne of the comparative period, when the total production costs were divided by the volume of produced pellets, was aligned to the adjusted computation in 2025, in which production costs are split for pellets and concentrate produced and divided by the respective production volumes.

Even though pellet production decreased in 2025, the C1 cash cost per tonne for pellets decreased to US\$76.3 per tonne, compared to US\$77.5 per tonne in 2024. This decrease is mainly due to lower fuel costs because of reduced mining activities and a reduction in maintenance and repair programmes. At the same time, the C4 cash cost per tonne of concentrate benefited from the significant increase in the production volume in 2025, resulting in a decline in unit costs to US\$50.3 per tonne from US\$55.3 per tonne in 2024. The cost difference per tonne for the two products and the significant shift in the ratio were the main reasons for the reduction of the cost of sales in 2025.

The Group continuously reassessed its costs, undergoing multiple cost cutting programmes. This has included placing approximately 36% of employees in Ukraine on furlough or reduced working time in 2025.

In response to the suspension of the VAT refunds in Ukraine, production activities were downscaled from an average of two pelletising lines in the first quarter to a single line for the rest of the year. This affected the absorption of fixed costs and, as consequence, the cost of production per tonne.

The Group's operating costs are predominantly denominated in Ukrainian hryvnia ("UAH"), accounting for approximately two-thirds of the Group's C1 and C4 costs. Consequently, changes in hryvnia to the US dollar exchange rate can affect the Group's operating costs, including the C1 and C4 costs. Historically, the Group's operating costs benefited from the devaluation of the hryvnia against the US dollar. In 2025, the UAH fell by 1% to the US dollar, compared to 11% in 2024, and in the first half of 2025 the UAH even marginally appreciated, putting additional pressure on the Group's C1 and C4 costs during this period, affecting costs for 2025.

The Group's business activities are energy-intensive and depend on stable supply of energy. The main costs components are electricity, natural gas and diesel fuel, which collectively represent 50% (2024: 48%) of the total cost base for pellet production and 50% (2024: 45 %) for concentrate production. Due to the ongoing war in Ukraine, the Group's production costs continue to be influenced by higher prices for raw materials such as gas and electricity. Further to that, the continued Russian attacks on the Ukrainian energy infrastructure affected the supply of electricity to the Group's operations. Following attacks towards the end of 2025, the supply of power was interrupted and production temporarily suspended, negatively affecting the Group's production volume.

The C1 and C4 cash cost of production (US dollars per tonne) are regarded as Alternative Performance Measures ("APM").

For more information on the breakdown of the C1 and C4 cost of production and the relevant cost drivers, please see the Operational Review section.





SELLING AND DISTRIBUTION COSTS

Total selling and distribution costs decreased to US\$242 million in 2025, down from US\$246 million in 2024, primarily due to lower freight tariffs for seaborne sales, which remain the most cost-effective way to deliver the Group's products to customers.

For 2025, index rates for international freight averaged 12% lower at US\$21.9 per tonne compared to US\$24.9 per tonne in 2024, aided by a reduction in the premium for shipping out of the Black Sea as more shipping companies returned to the region. The Group's seaborne sales, mainly under CFR ("Cost and Freight") and CIF ("Cost, Insurance and Freight") Incoterms, remained stable at 3.8 million tonnes, compared to 3.5 million tonnes in 2024 as the Group benefited from access to Ukrainian Black Sea ports for most of the year.

However, in 2024, the total volume of seaborne sales of 3.5 million tonnes included 0.3 million tonnes sold under FOB ("Free on Board") Incoterms, under which the customer is responsible for freight handling. Despite the generally lower freight indices in 2025, the Group's international freight costs increased by 6% to US\$128 million, compared to US\$120 million in 2024. The positive effect from lower freight indices was offset by a higher proportion of shipments under CFR and CIF Incoterms, exacerbated by a threefold increase in sales to China in 2025, compared to 2024. Some benefits were, however, realised as the Group's shipping activities benefited from a decrease in insurance premiums in 2025, and also due to rebates because the volumes insured in 2024, incurred premiums of only US\$2 million compared to US\$9 million in the previous year. It is worth noting, however, freight insurance premiums are still significantly higher than before the full-scale invasion of Ukraine.

In addition to the international freight costs, the Group's selling and distribution costs are also dependent on domestic Ukrainian logistics costs, notably railway tariffs and port charges.

The Ukrainian rail network is essential to delivering the Group's products to Black Sea ports and to the Western border of Ukraine. Following war-related congestions in 2022 and 2023, access to the network continued to improve in 2024 and until the end 2025, with rail tariffs in Ukraine remaining unchanged during 2025. Following a sharp increase of 70% in July 2022, new rail freight tariffs were introduced in Ukraine with effect from 31 July 2026, leading to a further sharp rise of approximately 36%, both increases in local currency. However, the applicable rail tariffs also depend on the proportion of third-party rail cars used. During 2025, the proportion of leased third-party rail cars increased, due to several reasons. First, a missile attack on two bridges caused a diversion which took longer to reach Ukrainian ports and extended the turnaround time for rail cars back to the Group's operations. Second, attacks on domestic generation and transmission energy infrastructure, which reduced the supply of electricity to the state railway company, Ukrzaliznytsia. This, in turn, necessitated the switch from electrified locomotives to slower diesel locomotives, further slowing journey times and requiring the leasing of additional rail wagons once again.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses in 2025 decreased to US\$59 million, compared to US\$69 million in 2024. Following the suspension of the VAT refunds, the Group took extensive measures to lower its cost base, including placing approximately 36% of employees in Ukraine on furlough or reduced working hours and cutting non-essential costs. General and administrative expenses also include legal and consulting costs totalling US\$13 million (2024: US\$18 million), which are mainly in connection with ongoing legal proceedings in Ukraine.

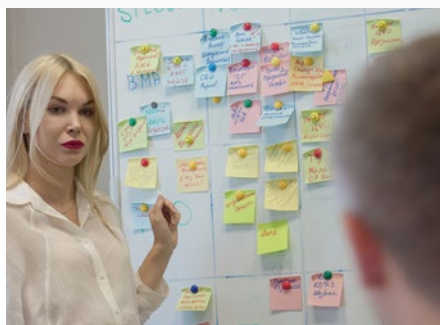
See Note 30 Commitments, contingencies and legal disputes to these consolidated Financial Statements for the current environment in Ukraine facing the Group, and further information on the ongoing legal challenges and disputes of the Group in Ukraine.

WRITE-OFFS AND IMPAIRMENTS

Write-offs and impairments increased to US\$161 million in 2025, compared to US\$72 million in 2024. This increase is predominantly due to a total non-cash impairment loss of US\$154 million on the Group's non-current operating assets, which was recorded as at 30 June 2025. The impairment loss recorded in 2025 was allocated to the various asset categories within property, plant and equipment. The recorded impairment loss was to be expected as disclosed in the Group's 2024 Annual Report and Accounts due to a non-adjusting post balance sheet event as at 31 December 2024, which was in relation to the potential suspension of VAT refunds in Ukraine. In response to the suspension of VAT refunds in March 2025, the Group adjusted its production plan to mitigate the effect from VAT-related working capital outflows and to minimise the impact on its available cash balance. The change to the production plan also affected the Group's expected cash flow generation for the years covered in the long-term model, which forms the basis of the Group's impairment testing. At the end of 2025, the long-term model was updated based on management's current assumptions regarding possible production and sales volumes, taking into account the latest developments in Ukraine, realised prices, assumed costs for key inputs. Although the continued suspension of VAT refunds in connection with expected lower realised prices and higher costs, mainly for electricity, has a negative impact on the forecast cash flow generation, this did not result in an additional impairment loss as at 31 December 2025.

See Note 13 Property, plant and equipment for further information on the critical estimates and judgements required by management.

FINANCIAL REVIEW CONTINUED



CURRENCY

The Group prepares its accounts in US dollars. The functional currency of the Group's operations in Ukraine is the Ukrainian hryvnia, as approximately two-thirds of the Group's operating costs are historically denominated in local currency.

The local currency appreciated marginally from 42.039 at the beginning of 2025 to 42.388 as at 31 December 2025, with an average exchange rate of 41.689 in 2025 (2024: 40.152).

With the continuation of Martial law in 2025, the National Bank of Ukraine ("NBU") has continued to maintain significant currency and capital controls to manage the local currency. As a result, there are limitations to converting balances in local currency into US dollars, and to transferring US dollars between onshore and offshore accounts of the Group.

 **See Note 30 Commitments, contingencies and legal disputes to these Consolidated Financial Statements for further information.**

OPERATING AND NON-OPERATING FOREIGN EXCHANGE GAINS/LOSSES

As already noted, the functional currency of the Ukrainian subsidiaries is the hryvnia. In the past, the sometimes significant devaluation of the hryvnia against the US dollar resulted in high foreign exchange gains on the Group's Ukrainian subsidiaries' US dollar denominated receivable balances from the sale of iron ore products, with an opposite effect on these subsidiaries' US dollar denominated loan payable balances.

In 2025, the local currency in Ukraine slightly depreciated against the US dollar resulting in operating foreign exchange gains of US\$5 million, compared to gains of US\$83 million in 2024.

In 2025, the losses from the US dollar denominated loans were fully offset by the gains on Euro denominated balances, compared to losses of US\$39 million in 2024.

 **For further information on the operating foreign exchange gains and the non-operating foreign exchange losses, please see Note 9 Foreign exchange gains and losses to these Consolidated Financial Statements.**

UNDERLYING EBITDA

The Group's underlying EBITDA remained positive at US\$28 million in 2025, despite the loss for the period, but was down from US\$69 million in 2024. This decline is mainly due to lower operating profits resulting from lower realised prices and the adjusted production plan following the suspension of VAT refunds in Ukraine, resulting in an increase of the production and sales of iron ore concentrate. The effect from the lower realised prices could not be offset by the effects from lower C1 and C4 production costs and the further cost-cutting measures initiated by the Group after the first quarter of 2025.

Underlying EBITDA is an Alternative Performance Measure ("APM").

NET FINANCE EXPENSE

The Group's finance expenses in 2025 remained stable at US\$5 million, compared to 2024. With the exception of lease liabilities, the Group does not have any outstanding interest-bearing loans or borrowings, therefore no interest expenses on finance facilities were incurred. As in the prior year, the majority of finance expense relates to the calculated interest on the Group's pension scheme, totalling US\$3 million in 2025 and US\$2 million in 2024, without any cash outflow effects, and to bank charges. At the same time, interest income decreased from US\$4 million in 2024 to US\$2 million in 2025, mainly due to lower available funds invested in deposits.

 **Further details on finance expense are disclosed in Note 10 Net finance expense to these Consolidated Financial Statements.**

INCOME TAX

The Group's income tax expense decreased to US\$11 million in 2025, compared to US\$30 million in 2024. The income tax expense in 2025 is net of a refund of US\$4 million received following the final taxation of a prior year in Switzerland and also includes the effects of top-up taxes totalling US\$1 million that will become payable in Switzerland and the United Arab Emirates under the BEPS Pillar Two rules. The lower income tax expense is because some of the Group's subsidiaries realised losses in 2025.

The income tax expense also includes the effect of additional allowances of US\$12 million recorded on deferred tax assets recognised in Ukraine. The Group's overall loss position is due to the significant impairment loss recorded as at 30 June 2025 on the Group's non-current assets, which is due to the downscaling of the Group's operations as a result of the suspended VAT refunds. The suspension of VAT refunds in Ukraine affects the Group's current and expected future cash flow generation and profitability.

The effective tax rate in 2025 is affected by the impairment losses of US\$154 million on the Group's non-current operating assets, which is primarily allocated to the Group's operations in Ukraine, and the effect from extracted low grade ore totalling US\$15 million, which are both non-tax deductible in Ukraine. Consequently, no deferred tax effect was recognised as had been the case in the past.

The effective tax rate in 2025 financial year was positive at +5.3% and therefore not comparable to previous periods. The reason for the positive effective tax rate is that the Group is in a loss position even before the recorded impairment losses and that no deferred tax assets on the resulting tax loss carry forwards were recognised. This is because it is currently uncertain whether and when the Group's subsidiaries in the various jurisdictions will be able to benefit from this in the near future. The lower or negative profitability of the Group's subsidiaries also had an impact on the income taxes payable in the different jurisdictions, historically, particularly in Ukraine. As a result, the income tax paid by the Group decreased to US\$3 million, compared to US\$23 million in 2024, of which US\$16 million was paid in Ukraine. The income tax paid in 2025 includes withholding tax paid in Ukraine on intercompany interest payments totalling US\$2 million (2024: US\$2 million), to be considered as income tax payments.

 **Further details on taxation are disclosed in Note 11 Taxation to these Consolidated Financial Statements.**

ITEMS EXCLUDED FROM UNDERLYING EARNINGS

The underlying EBITDA as at 31 December 2025 was adjusted by the impairment losses recorded in 2025, totalling US\$154 million. The impairment losses were to be expected and result from a non-adjusting post balance sheet event, which was disclosed in Note 35 Events after the reporting period included in the Group's 2024 Annual Report and Accounts. The adjustment of this non-cash effect was in addition to the usual adjustments made to the underlying EBITDA. In addition to the impairment losses, the Group also had to write off US\$5 million, net of proceeds from the sale of scrap metal, for equipment stored in a warehouse that was attacked and destroyed by Russia.

Subsequent to the year-end, the Group received five negative decisions from the court of appeal regarding overdue VAT refunds that have been suspended by the tax authorities. These negative decisions are considered to be adjusting post balance sheet events. As a result, the Group recorded as at 31 December 2025 an allowance of US\$13 million on these overdue VAT receivable balances, which is treated as an adjusting item excluded from the Underlying EBITDA as of an exceptional nature.

 **See Note 13 Property, plant and equipment to these Consolidated Financial Statements for further details.**

LOSS FOR THE YEAR

The Group's result for 2025 amounts to a loss of US\$224 million, of which US\$154 million is attributable to an impairment loss on the Group's non-current operating assets. This compares to a loss of US\$50 million in 2024, which included an impairment loss of US\$72 million. In addition to the impact of the impairment loss recorded in 2025, the Group's operating profit was also affected by lower realised iron ore prices and higher energy prices and key consumables, driven by the ongoing war in Ukraine.

CASH FLOWS AND CASH EQUIVALENTS

Operating cash flow before changes in working capital decreased by 48% to US\$35 million in 2025, compared to US\$67 million in 2024. The lower operating cash flow generation is the result of the adjusted production plan following the suspensions of VAT refunds by the Ukrainian tax authorities first notified in March 2025 for the periods since January 2025. In terms of the working capital, there was an overall outflow of US\$26 million, compared to an overall inflow of US\$52 million in 2024. The net outflow was largely driven by an increase in the tax recoverable because of the suspended VAT refunds and trade payable balances. Since March 2025, the Group's subsidiaries in Ukraine have not been receiving VAT refunds, resulting in a sharp increase in the outstanding VAT balance as at 31 December 2025, with further increases expected until VAT refunds resume. This negative effect was partially offset by the decrease in outstanding trade receivables and inventory balances as at 31 December 2025. The lower trade receivables and inventory balances are a result of the adjusted production plan, as well as the disruption to sustainable production following Russian attacks on the Ukrainian energy infrastructure towards the end of 2025.

The net cash flow from operating activities was US\$3 million, compared to US\$92 million in 2024. The effect from the lower operating cash flow was accentuated by the working capital outflow as at 31 December 2025.

During 2025, the Group significantly reduced its capital expenditure programme, with investments decreasing to US\$49 million, compared to US\$102 million in 2024. See the Capital investment section below for further information.

The significantly lower operating cash flow generation could only be partially offset by the initiated decrease of the Group's capital expenditure programme. As a result, the closing balance of cash and cash equivalents decreased to US\$58 million as at 31 December 2025, compared to US\$106 million as at 31 December 2024.

The balance of cash and cash equivalents held in Ukraine amounts to US\$1 million as at 31 December 2025 (31 December 2024: US\$4 million). Following the adoption of Martial Law in Ukraine, currency and capital control restrictions were introduced in Ukraine by the NBU, which remain in place. Although these measures were relaxed by the regulator in 2024, they continue to affect the Group's ability to make cross-border payments, which may be approved in exceptional cases only.

 **For further information see Note 30 Commitments, contingencies and legal disputes to these Consolidated Financial Statements.**

CAPITAL EXPENDITURES

Capital expenditure in 2025 totalled US\$49 million compared to US\$102 million in 2024. Of the total amount spent in 2025, sustaining and modernisation capital expenditure totalled US\$30 million (2024: US\$37 million), covering the activities of all of the Group's major business units. Investments in strategic development projects totalled US\$19 million (2024: US\$65 million). The significant decrease in capital expenditures reflects the Group's extensive work to reduce all non-essential capital expenditures following the suspension of VAT refunds.

Since the beginning of the war, the Group has continuously reviewed and optimised the level and timing of its capital expenditure programme to ensure the ongoing reliability of operations in Ukraine and minimise unexpected downtimes. The suspension of VAT refunds required more extensive cuts, albeit primarily for strategic development projects, whereas the sustaining and modernisation capital expenditures remained at levels similar to those in 2024.

The largest capital investments in strategic development projects during 2025 included the allocation of additional funds for the new press filtration complex and a new concentrate conveyer line along the established production circuit, which totalled US\$9 million and US\$1 million, respectively. The purpose of these projects is to increase the production and quality of premium grade iron ore products, enabling the business to build flexibility into its production mix, adapt more nimbly to short-term shifts in market demand for different products, and benefit from demand arbitrage and premiums to optimise margins. The Group also funded US\$2 million for ongoing and limited development and exploration-related activities at the Ferrexpo Belanovo Mine.

Considering the current situation of the Group and the decline in cash flow generation, impacted by the suspension of VAT refunds and ongoing effects of the ongoing war in Ukraine, no ordinary dividends were declared or paid in 2025 and 2024. The Group has a shareholder returns policy outlining the Group's intention to deliver up to 30% of free cash flows as dividends in respect of a given year. The Group's ability to make dividend payments also depends, indirectly, on developments in respect of certain ongoing legal proceedings in Ukraine.

 For further information see Note 30 Commitments, contingencies and legal disputes to these Consolidated Financial Statements.

DEBT AND MATURITY PROFILE

The Group is doing everything it can to maintain a robust balance sheet. Despite the challenging environment, the Group is essentially debt free, with a net cash position of US\$47 million as at 31 December 2025 (31 December 2024: US\$101 million). With the exception of lease liabilities totalling US\$11 million (31 December 2024: US\$5 million), the Group did not have any outstanding interest-bearing loans and borrowings as of 31 December 2025 and 2024.

As of 31 December 2025, the credit rating agency Moody's had a long-term corporate and debt rating for Ferrexpo of Caa3, with a negative outlook. The credit ratings agency Fitch maintains a CCC- with a negative outlook rating for the Group. At the request of the Group, S&P no longer provide a rating. While the credit rating of Ferrexpo is capped by the sovereign credit rating of Ukraine, the ceilings for the credit rating ascribed to Ferrexpo by Moody's is higher (one notch above sovereign, Ca).

RELATED PARTY TRANSACTIONS

The Group enters into arm's length transactions with entities under the common control of Kostiantyn Zhevago and his associates. All these transactions are considered to be in the ordinary course of business.

During 2025, the Group made a bail payment of UAH5 million or approximately US\$120 thousand, compared to US\$1 million in 2024, in both years on behalf of a member of top management of one of the Group's subsidiaries in Ukraine. The bail payments are in respect of various legal actions and ongoing court proceedings initiated by certain governmental bodies against the Group's subsidiaries and members of the senior management in Ukraine.

 See also section below, Note 30: Contingent liabilities and legal disputes and Note 34 Related party disclosures to these Consolidated Financial Statements for further details.

CONTINGENT LIABILITIES AND LEGAL DISPUTES

The Group is exposed to risks associated with operating in a challenging environment in Ukraine during a time of war and due to the current circumstances surrounding Mr Zhevago. As a result, the Group is subject to various legal actions and ongoing court proceedings initiated by different government-related bodies and agencies in Ukraine. There is a continued risk that the independence of the judicial system, and its immunity from economic and political influences in Ukraine may not be upheld. Consequently, Ukrainian legislation might be applied inconsistently to resolve the same or similar disputes. As a result, the Group is exposed to a number of higher risk areas than those typically expected in a stable economy, which require a significant portion of critical judgements to be made by management.

“The Group entered the full-scale war in a strong position because it paid down all its debt in 2021 and has remained debt free (except for lease obligations).”





Regarding the ongoing contested sureties case before the Supreme Court of Ukraine, there were several court hearings in 2025 and 2026, but no final ruling was made. In May 2025, the counterparty filed an application with the Commercial Court of the Poltava Region to start bankruptcy proceedings against FPM. A court of first instance accepted this application on 24 February 2026, and bankruptcy proceedings officially began on this date, despite the fact that the legal dispute over the contested sureties between FPM and LLC “Maxi Capital Group” is still being reviewed by the Supreme Court of Ukraine, which had issued an order on 1 April 2024 to suspend enforcement on the contested sureties claim. As part of this decision, the court appointed an insolvency manager to oversee FPM. However, the current FPM management team is still in place and continues to run the business and the Group does control FPM. FPM filed an appeal against the decision of the court of first instance on the beginning of the bankruptcy proceedings, which however does not stop the ongoing bankruptcy process. The first hearing of the appeal took place on 9 April 2026, followed by a hearing on 30 April 2026, when a new panel of judges has been appointed. There were further hearings on 2 June 2026 and 27 July 2026 and, on 18 August 2026, the court of appeal in Kharkiv dismissed FPM’s appeal. On 21 August, FPM filed a cassation appeal to the Supreme Court of Ukraine, which likewise does not stop the ongoing bankruptcy process.

As announced on 4 February 2025, the Group’s subsidiary FPM has been informed of a civil claim which was filed seeking joint liability of FPM and its General Director for damages amounting to UAH157 billion (approximately US\$3.7 billion as at 31 December 2025) in favour of the Ukrainian state. This claim is related to an initial accusation of the illegal sale of waste products, as disclosed in the Group 2024 Annual Report and Accounts, which has evolved into accusations that FPM is illegally mining and selling subsoil (minerals other than iron ore), alleged to have caused environmental damage. FPM rejects these allegations in their entirety on the basis that there was no illegal extraction of the subsoil. Management is of the opinion that these accusations, as well as the claim, are without merit.

Even if a court in Ukraine were to conclude that illegal mining and sale of subsoil occurred, the extent of this claim remains incomprehensible. The Group’s management maintains that no reliable estimate can be made as at the date of approval of these Consolidated Financial Statements. As a result, no provisions were recognised as at 31 December 2025 in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Following the personal sanctions imposed on Mr Zhevago by Ukrainian authorities on 12 February 2025, local subsidiaries of the Group in Ukraine have not been receiving VAT refunds since March 2025. Although no sanctions have been imposed on any member of the Group, the personal sanctions on Mr Zhevago have implications for the Group’s operation and, as a consequence, on its profitability and cash flow generation as well as on the Group’s ability to continue as a going concern. In connection with the personal sanctions on Mr Zhevago, on 20 February 2025, the State Bureau of Investigation (the “SBI”) made a media announcement regarding a potential claim to the High Anti-Corruption Court of Ukraine (the “HACC”) to nationalise 49.5% of shares in FPM and certain of its assets.

In addition to the above cases, there is a risk of 49.5% of the corporate rights in a Group subsidiary in Ukraine being transferred to the Ukrainian Asset Recovery and Management Agency (“ARMA”) as part of ongoing proceedings against Mr Zhevago.

 **See Note 2 Summary of material accounting policies and Note 30 Commitments, contingencies and legal disputes to these Consolidated Financial Statements as well as the Principal Risks section for further details.**

GOING CONCERN

As at the date of the approval of these Consolidated Financial Statements, both the war and legal actions against the Group in Ukraine are ongoing and still pose a significant threat to the Group’s mining and processing, and logistics routes in Ukraine. This threat results in material uncertainties outside of the Group’s control.

In addition to the war-related material uncertainty, the Group is also exposed to the risks associated with operating in a challenging environment in Ukraine, which is exacerbated by the war and/or the current circumstances facing Mr Zhevago (see Ukraine country risk in the Principal Risks section).

As a result, the Group is exposed to a number of risk areas that are heightened compared to those expected in a stable economy, such as an environment of political, fiscal and legal uncertainties, which represents another material uncertainty as at the date of approval of these Consolidated Financial Statements. As mentioned in the section Contingent liabilities and legal disputes above, there are a number of legal actions against the Group in Ukraine, which had to be assessed by the management also in terms of the Group’s ability to continue as a going concern and required critical judgements.

The Group’s ability to continue as a going concern depends on the Directors’ intention to raise gross proceeds of approximately US\$100 million by way of a conditional subscription of Ordinary Shares to support the Group’s working capital position and fund its ongoing operations. This planned fundraising is expected to be completed in late September 2026 and will provide the necessary immediate recapitalisation and place the Group in a stronger financial position, thereby enabling the Group to have more time to deal with the current challenging environment. The fundraising is conditional on all of the resolutions being passed by the shareholders of Ferrexpo plc, which therefore represents a further material uncertainty, as it is outside of the Group’s control. If the resolutions are not passed by the shareholders, or if any of the other conditions are not satisfied, the planned fundraising will not proceed, which will have a significant impact on the Group’s ability to continue as a going concern.

Detailed information on the Group’s ability to continue as a going concern and material uncertainties are disclosed in Note 2 Basis of preparation to these Consolidated Financial Statements.

Nikolay Kladiev
Group Chief Financial Officer, Ferrexpo plc

RESPONSIBLE BUSINESS

This section of the report details our continued commitment to the safety and wellbeing of our colleagues, our efforts to reduce the environmental impact of our operations, and efforts to achieve a positive social impact.

Fiona MacAulay

Interim Chair Health, Safety, Environment and Community (“HSEC”) Committee

Q&A

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The “S” in ESG is paramount. That is why I have continued to place a greater emphasis than ever on our employees and communities.

”

In April 2025 Ferrexpo reported deep cost-cutting measures across the business, including a stop to all non-essential humanitarian and social activities.



IT HAS JUST BEEN OVER A YEAR SINCE YOU RESUMED THE CHAIR OF THE HSEC COMMITTEE. WHAT ARE YOUR REFLECTIONS A YEAR ON?

I previously chaired the HSEC Committee, so returning to the role, albeit it on an interim basis, has been a valued responsibility. We are operating with fewer consultants and a tighter budget, which means we have to be considered and resourceful in our approach. I am grateful to my fellow Committee members, especially those in Ukraine for their effort and dedication.

As I outlined in the November 2025 Responsible Business Report, for me, the “S” in ESG is paramount, which is why I have continued to place a greater emphasis than ever on our employees and communities, because keeping our people safe is our primary responsibility.

However, this does not mean we have lost our focus elsewhere. We continue to make progress across other areas of our business, evidenced by the expanded governance and environmental sections in this report, and capped with the incredible work we did last year to lead the national conversation about reintegration of veterans and their partners in new realities of a society reshaped by war.



ABOUT THE FERREXPO-LED VIDEO SERIES, “VETERANS AND VETERANS’ PARTNERS.” WHAT WERE THE GOALS BEHIND THIS INITIATIVE AND HAVE THEY BEEN ACHIEVED? ALSO, WILL YOU CONTINUE THIS WORK PROJECT GOING FORWARD?

In 2024, with my fellow Board members, we discussed how Ferrexpo could support its workforce and communities to participate in two nationally significant conversations: veteran reintegration and the evolving role

of women during wartime. Our preliminary research and mapping identified a niche opportunity to bring to the fore the common yet contrasting experiences of veterans and their partners. When we started filming it quickly became clear that people had so much to share – and so the project was born.

Even we were pleasantly surprised by the project’s viral success, as the videos clocked up millions of views. This project culminated in December last year with a 30-minute documentary bringing together a dozen or so of the individual participants at a single venue to capture their shared experiences as a group. These videos are presented in this section of the report.

Looking to the year ahead, we have reformatted the series, to bring to light experiences of reintegration in the workplace, and we are already unearthing new insights. This is an important body of work, and I am delighted that we are contributing in a sensitive yet revealing manner as these conversations evolve.



IN APRIL 2025, FERREXPO IMPLEMENTED DEEP COST-CUTTING MEASURES ACROSS THE BUSINESS, INCLUDING A STOP TO ALL NON-ESSENTIAL HUMANITARIAN AND SOCIAL ACTIVITIES. WHAT IMPACT HAS THIS DECISION HAD?

This was a difficult decision. I feel strongly, however, that the ultimate responsibility for this decision lies with the Ukrainian tax authorities because they suspended VAT refunds, which resulted in lower liquidity and the need to preserve cash.

We said at the time that this would have a broad and negative impact on the economic and social fabric of the more than 50,000 residents of Horishni Plavni and surrounding area. Regrettably, this has come to be the case. Since the full-scale invasion in February 2022, Ferrexpo has funded US\$29.2 million to support over one hundred humanitarian and CSR-related projects and initiatives. Regrettably, of the total amount, only an additional US\$1.2 was contributed in 2025, limiting the scope of our activities relative to what we had hoped to achieve.

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Our continued
commitment to the
safety and wellbeing
of our colleagues
remains steadfast.
”

This is why we are focussing on the most critical initiatives where we can have the greatest social impact, namely providing psychosocial and psychological assistance in the workplace, particularly for veterans who have returned to the Company. Other activities included arranging sporting and cultural events to foster a sense of wellbeing and provide a welcome distraction during a prolonged period of war.



WHY HAVE YOU REDUCED THE ESG REPORTING SUITE FOR 2025?

In addition to the expanded content in this 2025 Annual Report and Accounts, we intend to publish a standalone Sustainability Report later in the year. This will be our first ever Sustainability Report and will build on last year's tenth Responsible Business Report, which was our first to comply with the Global Reporting Initiative (“GRI”) standards.

In last year's Annual Report and Accounts, we increased the number of ESG metrics that were assured by our auditors, to include Scope 3 emissions and six human resource metrics for the first time. This work was advancing in line with preparations for the implementation of the EU Corporate Sustainability Reporting Directive (“CSRD”).

However, in April 2025, The European Parliament announced a two-year delay to the implementation of the second and third waves of CSRD until 2027 and 2028. With this in mind, I have directed our ESG teams to pause ESG metric assurance to save the associated fees during this period of lower liquidity.

Finally, the HSEC Committee decided not to publish a 2025 Climate Change Report. As the war in Ukraine prolonged, there was no material change in the situation on the ground to warrant an update because the previous scenario analysis and potential pathways to Net Zero iron ore production published in December 2023 still stand.

HEALTH AND SAFETY

Health and safety in and around our workplaces are of paramount importance. Operating during a time of war and the nature of our business of mining and processing iron ore into high-grade iron ore products brings inherent safety risks that need to be managed and mitigated. We work to go beyond industry best practice to keep colleagues protected, adopting a risk-oriented approach to promote safer working conditions for our workforce at our sites.

More than 99% of our more than 7,500 strong workforce, comprising employees and contractors, is based in Ukraine, mainly at our operations in Horishni Plavni, but also in Kyiv and other locations such as ports. At the end of December 2025, this also included 751 brave colleagues serving in the Armed Forces of Ukraine.

Our continued commitment to the safety and wellbeing of our colleagues remains steadfast. Given the scale of our workforce and the nature of our activities, it was never an option to evacuate our people during the war and shut down. The majority of our people wanted to stay in Ukraine and continue working. Being employed is critical during a time of war, therefore it is our responsibility to take extensive measures to protect our workforce in the workplace, and, where possible, in the communities where they live.

Measures have included remote working for those with suitable roles, enabling them to be as far as possible from the front line and frequently targeted locations. For our on-site workforce, measures have included the construction of new air raid shelters and the renovation of older shelters, adjusting shift patterns to align with night-time curfews and the provision of meals in light of disruption to supply chains in local communities.

In the early phases of the war, when uncertainty arose over the continued provision of social services, the Group established an on-site childcare facility for the children of employees, staffed by Ferrexpo volunteers, to ensure children could be close by and safe. As the war evolved, the need for such facilities diminished as life began to resume in Ukraine, with schools re-opening and a ‘new normal’ emerging.

As the war has evolved so too has our response. In the months after the full-scale invasion commenced in February 2022, our efforts focused on housing and feeding dislocated people, ensuring the supply of critical equipment such as armoured ambulances and food packages to towns along the front line. Into 2024, needs shifted, and psychological wellbeing has become more important as people try to deal with the stress of living in a protracted war. This is also the case as veterans return to our communities and workplace.

For the full year 2025, the Group reported a 30% improvement in the rolling 12-month Lost Time Injury Rate (“LTIFR”) to 0.38, falling back below the historic five-year trailing average of 0.52. Zero workplace fatalities have been reported for more than five years.

In 2025, an external surveillance audit confirmed that the occupational health and safety management system complies with the regulatory documents in force in Ukraine, the international standard ISO 45001 ‘Occupational Health and Safety Management Systems’ and the validity of the management system certificate until 2027.

To protect our employees in the workplace, in 2025 we undertook the following:

- Provision of special safety clothing and personal protective equipment for employees.
- Provision of special meals for employees working in hazardous conditions.
- Physical and mental health care by conducting medical examinations.

Fiona MacAulay
Senior Independent Non-executive Director,
Ferrexpo Plc

LTIFR 0.38

(2024: 0.54)

- Renewing permits for working with high-risk equipment.
- Ensuring fire safety in the workplace by equipping the Company's facilities with additional fire alarms, protection and extinguishing systems, including conducting emergency drills to teach employees how to respond correctly in emergency situations.
- The construction a protective structure at the explosives storage facility
- A state commission inspection of 15 protective structures, which concluded their compliance and suitability for use
- Equipping air raid shelters structures with mobile signal boosters, AMA 2 first aid kits, drinking water installations and household appliances.

An additional 20 measures were implemented during the year to ensure the safety of employees, including initiatives to protect people when working at height, the installation of equipment to improve air quality, additional fencing, equipment to reduce the risk electrocution, adding more clean drinking water facilities.

Health and safety activities and developments on site during 2025

	2025	2024	Change (%)
Lagging safety indicators			
Fatalities	0	0	-
Lost time injuries	5	6	-17%
Lost time injury frequency rate ("LTIFR")	0.38	0.54	-30%
All injuries frequency rate ("AIFR")	0.41	0.52	-21%
Near miss events	0	0	-
Significant incidents	1	0	-
Restricted workdays	346	678	-49%
Severity rate (average lost days per incident)	69.2	113	-39%
Leading safety indicators			
Health and safety inspections	6,362	7,368	-14%
Health and safety meetings	1,426	1,686	-15%
Health and safety inductions	2,488	5,651	-56%
Training hours	9,514	13,025	-27%
Hazard reports	673	753	-11%
High visibility management tours	151	155	-3%

Zero

The Group recorded a fifth successive fatality-free year



DIVERSITY, EQUITY AND INCLUSION

Ferrexpo believes that a diverse workforce and an inclusive culture contribute directly to stronger business performance. By bringing together a broader range of perspectives, experiences and ideas, diversity supports better decision-making, encourages innovation, strengthens employee engagement and enhances our ability to attract and retain talent. We promote diversity across gender, disability, sexual orientation and culture, with the aim of building a workforce that reflects the breadth of the communities in which we operate. Our goal is to create an inclusive working environment in which all contributions are valued, different perspectives are embraced, and biases are recognised and addressed, helping to build a more resilient, effective and sustainable business.

The Company's Diversity, Equity, and Inclusion ("DEI") Policy was adopted by the Board in 2019. This policy sets out our commitments to prohibit all forms of unfair discrimination on the basis of age, gender, race, national or ethnic origin, disability, sexual orientation, pregnancy and parenthood, political opinion and social origin. In support of the Policy, the Company's diversity initiatives are focused on helping us to develop a diverse workforce that embraces difference and build an inclusive working environment.

DEI progress

After launching the DEI strategy, we hired DEI specialists to roll out policies and initiatives. We also introduced DEI KPIs, in particular a target of 25% women in management roles across the Group by 2030, which we define as Grade 10 or above. In 2025, we surpassed this target early with female representation at 25.8%.

Our DEI efforts were boosted in 2020 when we established our flagship diversity platform 'Fe_munity'. The project started with a women in leadership programme, to develop our high-potential, future female leaders. Through seminars and workshops, participants were mentored and coached on topics including leadership and negotiation, plus soft skills such as public speaking and networking. In 2022, the Fe_munity platform was expanded outside the Company to include non-Ferrexpo employees in our local communities and nationally to other Ukrainian regions.

The platform was broadened further in 2023 with a 'Fe_munity Teens' programme, offered to 54 teenagers drawn from the local community. This programme is built around the themes of self-discovery, self-directed learning, and personal growth. The programme aims to accelerate the development of participants as they navigate the challenges and gender biases that might hinder their personal progression at secondary or tertiary education level or within broader society. It is noteworthy that this programme was conceptualised and is run by alumni of previous Fe_munity programmes.

In 2020 we also established an 'Inclusion School', a training programme for our employees in Ukraine aimed at fostering inclusion and diversity, and how this can support Ferrexpo's business model. Our Inclusion School is also open to local authority employees keen to learn more about challenging prejudice and discrimination. By the end of 2025, more than 400 employees and 30 local authority and education employees completed the course. Learning covers topics such as identifying different forms of discrimination, why it is important to eliminate prejudice and how tolerance can help Ukraine tackle its wartime challenges.

DEI highlights for 2025

Progress highlights for the Group's DEI activities and programmes in 2025 included:

1. In February 2025, Ferrexpo opened its doors to 50 women from the Horishni Plavni community with the Fe_munity & Skills programme, an educational initiative aimed at developing women's soft skills and guiding them towards atypical technical professions. Fe_munity & Skills is designed to help women unlock their potential, realise their own value, define their life goals, and master the tools needed to achieve them. The programme aims to overcome gender stereotypes in professions among the women of Horishni Plavni and surrounding communities, provide career guidance, and increase the number of women recruited in gender-imbalanced professions. The three and a half month long training programme was conducted through workshops led by alumni of the Fe_munity Women's Leadership School and Ferrexpo skills trainers. As a result of this programme some participants were hired to work at Ferrexpo.
2. Ahead of 'International Zero Discrimination Day' on 1 March 2025, an advisory about the history of the day, its relevance and importance was published on the Company's internal communication channels. Employees were invited to review the corporate Policy on Fairness and Inclusion, take the 'How Tolerant Are You?' self-test, and participate in the 'Zero Discrimination' training.
3. In March, the Diversity and Inclusion Manager conducted a 'Zero Discrimination' training session for 25 colleagues. The training provided an opportunity to understand what discrimination is and how to recognise it, to deal with stereotypes and prejudices, both personal and social, and to understand the rules of tolerant behaviour and communication. The training helped participants become more knowledgeable about the topic and improve their skills in creating tolerant work environments.
4. Internal skills and experience in implementing gender equality principles were used to create an online course called 'The Power of Equal Opportunities: Women's Empowerment Principles in Practice.' The programme was developed as part of the 'Empowering Women in Business' initiative, which is being implemented by the Ukrainian Centre for Investment and Trade Promotion within the framework of the UN Women project 'Transformative Approaches to Achieving Gender Equality in Ukraine', funded by the Government of Sweden, and in cooperation with the Office of the Vice Prime Minister for European and Euro-Atlantic Integration. The Company's experience was presented in WEPs principles No. 4 Education and training for career growth and No. 6 Community initiatives and advocacy.



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Our goal is to develop
a diverse workforce
and an inclusive
working environment.
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DEI highlights for 2025

Progress highlights for the Group's DEI activities and programmes in 2025 included:

Internal

- Leadership breakfasts: motivational meetings bringing together successful women leaders with female employees.
- 'TOGETHER' mentoring programme: promoting the career development of women in the Company and training a talent pool for middle management positions by engaging managers as mentors to help women overcome barriers to professional growth and adapt to the specifics of the industry.
- 'PATH' programme: supporting the development of managerial competences and a broad understanding of different business functions for women in management by rotating them through different departments with the support of senior leaders and experts.
- Work shadowing programme: a full immersion for a cohort of employees working with Viktor Lotous, the FPM General Director and head of Ferrexpo's operations in Ukraine, to gain practical experience and broaden employee horizons.

External

- Cooperation with the "Reskilling Ukraine" project, supported by the Swedish government and aimed at empowering and increasing women's participation in the labour market through retraining.
- Supporting the "Of Course You Can!" national communication campaign to draw attention to the gender pay gap and help overcome gender stereotypes in the professional sphere.

34%

Positions held by women
across the Group

26%

Women in management
roles in Ukraine

“
Scope 1 and Scope 2
emissions fell both on an
absolute and unit basis
during the year.
”

EMISSIONS

The war continued to affect the Group’s emissions throughout 2025 in ways that are beyond our control. In particular, attacks on Ukraine’s energy sector have reduced the availability of electricity procured from clean domestic nuclear and hydropower sources and increased reliance on imported power from Ukraine’s western neighbours, which is typically generated using carbon intensive energy. In turn, due to strikes on energy transmission infrastructure, it isn’t always possible to receive a steady supply of power to our operations, which in turn affects the production cycle and emissions that we generate.

Net Zero pathway

Since the onset of the full-scale invasion of Ukraine, we have demonstrated significant flexibility and adaptability in navigating a landscape of continuous change. Our ongoing commitment to decarbonisation remains steadfast, and we are confident in our ability to adapt and overcome the challenges that arise. Through persistent efforts and strategic adaptations, we are committed to continuously reviewing our decarbonisation targets, responsibly addressing challenges, and transparently communicating our progress as we drive the industry towards a more sustainable future.

Climate Change Reporting

In December 2024 we published our second Climate Change Report, reaffirming our Net Zero commitments. We elected not to do a further report in 2025 because the situation in Ukraine was still dominated by war and therefore the three scenarios that were explored in the Climate Change Report still stand.

69

environmental and climate-focused policies reviewed

30

material climate change risks and opportunities assessed across six key focus areas

In the 2024 report, we deepened our understanding of climate challenges and guide our responses. This included our efforts to decarbonise, our approach to managing climate risks and opportunities, regulatory developments, and the impact of the war on our net zero pathway. Highlights included:

Analysis and outcomes

- Three war-related scenarios modelled to navigate our Net Zero pathway and the impact of the war.
- Five decarbonisation projects targeted to deliver 90% of emissions savings.
- Modelling indicated 95% reduction in Scope 1 and 2 emissions, and 84% reduction in Scope 3 by 2050.
- 30 material climate change risks and opportunities assessed across six key focus areas.
- 69 environmental and climate-focused policies reviewed.

Challenges and adaptations in the context of the war

The ongoing war in Ukraine has presented significant challenges to Ferrexpo’s operations and decarbonisation efforts. These include:

- Infrastructure risks affecting local green energy resources
- Export disruptions affecting transport carbon emissions
- Increased Scope 2 emissions due to Ukrainian energy procurement laws
- Funding challenges for climate initiatives
- Workforce disruptions affecting response to climate policies
- Time constraints on achieving Net Zero targets due to post-war reconstruction priorities

Despite these challenges, we remain committed to our climate goals and demonstrating flexibility in adapting our strategies.

Three scenarios that were explored in the Climate Change Report

1	Continued war	93% absolute reduction	exceeds SBTi requirements and Ferrexpo’s targets
2	Post-war rapid adoption	91% absolute reduction	exceeds SBTi requirements and Ferrexpo’s targets
3	Post-war slow adoption	89% absolute reduction	falling short of the SBTi target but surpasses our internal goals

Greenhouse gas emissions footprint and energy consumption (1 January to 31 December 2025)

	2025		2024		Change	
	Absolute (kt CO ₂ e)	Unit (kg CO ₂ e/t)	Absolute	Unit ¹ (kg CO ₂ e/t)	Absolute	Unit
Scope 1 emissions	235	39	352	52	-33%	-26%
Scope 2 emissions	250	41	277	41	-10%	0%
Subtotal (S1+S2) emissions	485	80	629	94	-23%	-15%
Scope 3 emissions	9,614	1,565	8,856	1,299	8%	22%
Total emissions	10,099	1,645	9,485	1,392	6%	19%

Absolute emissions are gross emissions and have not been adjusted for offsets, avoided emissions or carbon credits. The Group uses tonnes of saleable production as the denominator for its intensity ratio because production volume is the principal driver of operational energy use and Scope 1 and Scope 2 emissions. This measure also provides a consistent year-on-year operational comparison that is less affected by commodity price movements than a revenue-based intensity ratio. Emissions are disclosed in kilotonnes of CO₂ equivalent ("kt CO₂e") given the scale of the Group's emissions, as this provides a clearer and more proportionate presentation than reporting in tonnes. Energy consumption is presented in megawatt hours ("MWh"), where shown, due to the magnitude of the Group's operational energy consumption; this provides a clearer and more proportionate basis for reporting than kilowatt hours ("kWh"), while remaining consistent with the underlying energy consumption calculations.

2025 Greenhouse gas emissions

The war had a strong impact on greenhouse gas emissions in 2025 in two principal areas: an elevated level of total production due to the ongoing ability to export through the Ukrainian Black Sea ports, and the need to import electricity generated from carbon-intensive sources compared to cleaner domestic sources.

Strategic ambition and targets

Net Zero Scope 1 and 2 emissions intensity by 2050 from 2019 baseline

- 50% reduction in Scope 1 and 2 by 2030
- 50% reduction in Scope 3 emissions by 2050
- 10% reduction in Scope 3 emissions by 2030

Scope 1 emissions

Scope 1 direct emissions relate principally to three activities at our operations:

- Diesel consumption (primarily used in mining activities)
- Natural gas (primarily used in pelletising activities)
- Gasoil (primarily used in inland waterway logistics activities)

Collectively, these three sources of emissions represented 97% of Scope 1 emissions in 2025 (2024: 97%), with emissions from the consumption of diesel and gasoil for transport making up 65% of Scope 1 emissions (2024: 59%) and natural gas making up 31% of Scope 1 emissions (2024: 38%). In addition, we track a further 15 sources of Scope 1 emissions across our operations, ensuring that multiple aspects of our operations are covered in our emissions estimates.

Absolute Scope 1 emissions decreased by 33% in 2025, while Scope 1 emissions on a unit basis decreased by 26%. This was primarily due a pivot toward an increased proportion of pellet feed production, which requires less processing at site.

Scope 2 emissions

Scope 2 indirect emissions relate exclusively to our purchasing of electricity from third parties, which is predominantly used in our concentrator equipment. On an absolute basis, this decreased by 10%, while on a unit basis staying flat compared to 2024. Consumption of electricity from clean sources (hydro and nuclear) have continued to fall from 51% of total consumption in 2024 to 42% in 2025, due to government mandates to import up to 80% of electricity, depending on domestic availability.

Scope 3 emissions

For Ferrexpo, Scope 3 emissions primarily relate to the type of iron ore produced, since the downstream processing of iron ore accounted for 96% of Scope 3 emissions in 2025 (2024: 96%).

In 2025, the proportion of pellet feed production increased relative to pellets, representing 48% of total production (2024: 12%). This resulted in an increase in Scope 3 emissions intensity to 1.57 tCO₂/t of production in 2025 (2024: 1.29 tCO₂/t of production), as pellet feed requires more processing at the steelmaking stage compared to pellets.

Methodology

The Group's greenhouse gas emissions are reported on a gross, unadjusted basis unless otherwise stated, and have not been reduced by purchased offsets, avoided emissions or carbon credits. Scope 1 and Scope 2 emissions have been calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, using operational activity data from fuel consumed in the Group's operations, principally diesel, gasoil and natural gas, and purchased electricity and steam, multiplied by relevant emissions conversion factors for each energy source and geography. Scope 2 emissions have been calculated from purchased electricity and steam. Energy consumption data has been converted into tonnes of CO₂e using emissions conversion factors appropriate to each energy source and geography. For the 2025 reporting year and 2024 comparative period, the Group applied conversion factors relevant to the applicable source, geography and reporting year, including Ukrainian grid-related factors for purchased electricity and relevant fuel-specific factors for diesel, gasoil and natural gas. For electricity consumed in Ukraine, the Group has applied Ukrainian national grid factors relevant to the reporting periods, with 2024 factors used for comparative information and 2025 factors used for the current reporting year, based on the Ukrainian electricity grid operated by NPC/NEC Ukrrenerg. For natural gas consumed in Ukraine, the Group has applied Ukrainian gas grid factors relevant to the reporting periods, with 2024 factors used for comparative information and 2025 factors used for the current reporting year, based on the Ukrainian gas transmission system operated by LLC Gas Transmission System Operator of Ukraine, or GTSOU. Scope 3 emissions have been calculated in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Standard, using category-specific activity data and relevant emissions factors. The source and year of the conversion factors applied are maintained in the Group's underlying emissions calculation files.





ENVIRONMENT

Our approach to environmental management is guided by industry best practice, with a focus on minimising our impacts, protecting the natural environment and the efficient use of resources. We collect a wide range of environmental metrics to monitor our performance and gain a deeper understanding of our impacts.

Energy efficiency actions

During 2025, the Group continued to manage energy consumption through its ISO 50001-certified energy management systems at FPM and FBM. Operational actions that affected energy use included an increased proportion of pellet feed production, which requires less on-site processing than pellets, and continued optimisation of logistics, including increased use of larger Capesize vessels where available to reduce freight emissions intensity per tonne. Capital-intensive decarbonisation and electrification initiatives remain constrained by the war, liquidity preservation measures and the availability of external funding.

Monitoring and managing our environmental impact

Ferrexpo's Ukrainian operating subsidiaries operate within an ISO standard certified environmental management system (ISO 14001:2015). In addition, FPM and FBM also have energy management system accreditation (ISO 50001:2018).

Ferrexpo is recognised as a leader in Ukraine for ESG reporting, evidenced by our Responsible Business Reports, our second Climate Change Report published last year, and our compliance with TCFD reporting in this report. Our work was also awarded in 2025 with recognition by the Financial Times and Statista as a 'European Climate Leader'.

Environmental practice and impacts are a standing agenda item at every Board and Executive Committee meeting. Climate Change is also considered as a key principal risk factor and therefore is also monitored and considered at every Finance, Risk Management Compliance Committee ("FRMCC") meeting.

 **For more information see the sub-section on Climate Change in the Principal Risks section of his report.**

Responsible water usage

The ongoing war continues to have a negative environmental impact in Ukraine. Constant bombing and shelling, and destruction of Ukraine's infrastructure are resulting in the release of toxic chemicals into the atmosphere, soil, and water, which will have long-term consequences for the environment and human health.

With regard to responsible water usage, our operational activities include water intake into our pits, water supply to our processing plants, and water discharge into the Dnipro River, which is the main natural water body in the region where our facilities are located.

We operate in a region with a low risk of water scarcity, though understand the importance of conserving water resources. We have developed a set of measures aimed at preventing pollution and depletion of water bodies, including their rational use. This is not only about complying with environmental norms and standards, but also about taking an active stance on reducing harmful emissions and using resources sparingly.

One of the key areas in which Ferrexpo's companies make a significant contribution to environmental conservation is the effective treatment and reuse of wastewater. We operate a recirculating water supply system with a tailings storage facility ("TSF"), which serves as both a wastewater receiver and a source of supply for all recirculating production water supply systems. The TSF receives quantities of pit water and water runoff that form as a result of precipitation on the surface of the pit and industrial sites. In the TSF, wastewater is clarified, averaged, and returned to ensure the uninterrupted operation of the circulating water supply for the main production. Before being discharged into the Dnipro River, the return wastewater generated by operational activities undergoes preliminary treatment at bioengineering treatment facilities. Bioengineering treatment facilities are a highly effective environmental protection measure that comply with water protection legislation and minimise the impact on water bodies.

In 2025, approximately 97% of the overall water extraction was the result of dewatering (removing water that has entered the open pit operations). That same year, the processing complex reused 98% of the processed water.

Ferrexpo cooperates with the Kharkiv Research Institute of Environmental Problems to improve water resource management processes. With the participation of the Institute, we continuously monitor the water collected, used, and discharged by our operations; assess the quality of wastewater before it is discharged into the Dnipro River; assess the quality of water in the TSF used for technological needs; and assess the efficiency of treatment facilities. This, in turn, allows us to adequately assess and forecast water resource management, identify factors and sources of water pollution, and make effective environmental decisions.

The long-term goal is to develop a closed water management system, within which we strive to maximise the use of water from pits in a closed system and plan to provide process water for iron ore processing in this way in the future. This is how we see ensuring a sustainable balance between the needs of our operations and preservation of aquatic ecosystems and the opportunity to partially stop drawing or returning water from the Dnipro River.

Waste management and air quality

The Group's mining activities generate solid waste, including overburden and sludge, as well as emissions from stationary sources into the atmosphere associated with mining and processing operations. Waste generated during operations is transferred for disposal, treatment and burial.

The overburden and mining waste are not classified as hazardous and are stored at specially designed facilities developed and controlled by the Group's mining planning services.

The Group implements a systematic approach to waste management at all production sites and offices. Systems for the separate collection of recyclable waste, including paper, plastic and glass, are in place. Secondary raw materials are transferred to specialised companies for further processing.

97%

of overall water extraction occurred as a result of dewatering

98%

processing plant process water recycled

Biodiversity

We aim to improve wider understanding of the natural environment by engaging with local communities and implementing measures to improve environmental stewardship beyond activities that control directly.

In recent years, we have developed a baseline understanding of biodiversity around our operations. An analysis was conducted and recommendations were received covering strategy, risk management, and reporting on biodiversity issues.

Ferrexpo does not operate within any areas that are classified as protected on a national or international basis. Due to the Company's dedication towards the environmental protection standards in the region, our operations do not have any known impacts on the local flora or fauna.

Engagement

Through collaboration, we strive to minimise our environmental impact by reducing emissions, implementing responsible waste management, and using modern environmental technologies.

Ferrexpo's 'Green Mine Initiative' is part of the Company's strategy to reduce its carbon footprint, develop a circular economy and ensure sustainable mining.



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One of the key areas in which Ferrexpo's companies make a significant contribution to environmental conservation is the effective treatment and reuse of water.

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“
The Group is focusing
on increasing diversity
further down its
organisational structure.
”

BUILDING TRUST

Sound corporate governance builds stakeholder trust and the benefits associated with a good reputation.

Board composition

Effective corporate governance starts with the Board of Directors (“Board”). As of the date of this report, Ferrexpo’s Board comprises five Directors – including two Executive Directors and three Independent Non-executive Directors. For more details of the Board composition and activities during the year, please see the Corporate Governance section of this report.

Board changes and position appointments

In January 2025, Non-executive Director Natalie Polischuk resigned from the Board of Ferrexpo plc. Ms Polischuk was Chair of the Health, Safety, Environment and Communities (“HSEC”) Committee, a member of the Audit Committee and a member of the Committee of Independent Directors.

On an interim basis, Fiona MacAulay, Senior Independent Non-executive Director was appointed a member of the Audit Committee and also appointed as Chair of the HSEC Committee.

Following Ms Polischuk’s resignation, the Board continues to have a majority of independent Non-executive Directors. As previously announced, the Company has an ongoing process to search for a new independent Non-executive Director and as part of this search, the Company will also take into account ethnic and gender diversity on the Board.

FTSE Women Leaders Review

The FTSE Women Leaders Review is an independent, business-led framework supported by the UK Government, which sets recommendations for Britain’s largest companies to improve the representation of Women on Boards and in Leadership positions. As a result of this work, the FTSE Women Leaders Review recommends that companies within the FTSE 350 have a minimum 40% female representation at Board level by the end of 2025, as well as at least one woman appointed as chair, senior independent director (“SID”), CEO or CFO by the end of 2025.

As of the date of this report, Ferrexpo’s Board is 20% female (31 December 2024: 33%). This means that although Ferrexpo met the requirement for a female in one of the stated roles, with Fiona MacAulay as the Group’s Senior Independent Director, the recommendation for Board gender diversity set by the FTSE Women Leaders Review was unfortunately not met.

The Group is also focusing on increasing diversity further down its organisational structure; details of this work can be found in the People section and in the Corporate Governance Report.

Parker Review

The Parker Review was an independent review in 2021 led by Sir John Parker, which considered how to improve the ethnic and cultural diversity of UK boards to better reflect their employee base and the communities they serve. To encourage progress with regards to ethnic diversity, the Parker Review proposed a target of one Director from an ethnic minority group on the Boards of FTSE 250 companies by December 2024.

Throughout the year, the Board continued to search for an Independent Non-executive Director and, although Ferrexpo fell out of the FTSE 250 index in June 2025, the search remained focused on restoring gender balance and to meeting the gender and ethnic diversity expectations for UK-listed companies. However, in the context of the war in Ukraine and its impact on the Group, the Board believes that these objectives must be pursued in a way that does not compromise the immediate skills and experience needed to navigate the current operating environment. The ongoing search process is therefore aimed at identifying candidates who can support progress on diversity while also bringing the capabilities most relevant to the Group’s present circumstances. Although a number of candidates were considered in the year, none has yet fully met this combination of criteria, and the search remains ongoing.

Corporate governance controls

The Group’s financial advisors are Panmure Liberum Limited, who also provide broking services to the Group. As a London-quoted company, it is best practice for the Company to have a sponsor to provide advice and guidance on certain corporate matters, with BDO LLP appointed in this role.

Shareholder and stakeholder engagement

As a responsible company, we aim to engage with our shareholders, to understand and address their concerns and priorities. Shareholder engagement is conducted via a range of methods – from various reports published on an annual basis (Annual Report and Accounts and Responsible Business Report), events such as the Annual General Meeting (“AGM”), in person and online meetings, attendance at major investment and industry conferences and the use of our corporate website and social media channels.

We also endeavour to engage with stakeholders located within Ukraine and overseas, with communications in both Ukrainian and English.

Please see the section on stakeholder engagement for more information.

Related party matters

To maintain strong corporate governance and ensure that these business relationships are conducted on an arm’s length basis, the Group has both the Committee of Independent Directors at the Board level and the Executive Related Party Matters Committee at the management level.

Non-financial information statement

The Ferrexpo Group complies with the non-financial reporting requirements contained in Sections 414CA and 414CB of the Companies Act 2006. The table below, and information it refers to, is intended to help stakeholders understand the Company's position on key non-financial matters. This builds on existing reporting that the Company already does under the following frameworks: Global Reporting Initiative, Guidance on the Strategic Report (UK Financial Reporting Council), UN Global Compact and UN Guiding Principles. In addition to its Annual Reports, Ferrexpo also publishes a standalone report covering its Responsible Business activities, with the report for 2024 available on the Group's website and the report for 2025 expected to be released in 2026.

Reporting requirements	Reports, policies and standards	Additional information	Risks
Environmental	- Climate Change Report - Responsible Business Report - Tailings Management	Net Zero pathway, pages 68 to 71 Energy consumption, page 69 Climate Change Report on www.ferrexpo.com	Principal Risks, pages 102 to 115
Employees	- Ethics and Responsible Business Policy - Code of Conduct - Health and Safety Policy	People section, pages 22 to 27 Health and safety, pages 64 to 65 DEI, pages 66 to 67 Responsible Business Report on www.ferrexpo.com	Principal Risks, pages 102 to 115
Human rights	- Human Rights Policy - Data Privacy Policy - Anti-Slavery and Trafficking Statement - Information Security	People section, pages 22 to 27 DEI, pages 66 to 67 Ferrexpo Code of Conduct www.ferrexpo.com/about-ferrexpo/corporate-governance/policies-and-standards	Principal Risks, pages 102 to 115
Social matters	- Donations Policy - Community Policy	Operating during a time of war, pages 18 to 21 Community and civil society, page 77 Responsible Business Report www.ferrexpo.com/responsibility/supporting-communities	Principal Risks, pages 102 to 115
Anti-corruption and anti-bribery	- Anti-Bribery Policy - Anti-Money Laundering and Counter Terrorist Financing Policy - Fraud Risk Management - Whistleblowing Policy	Internal controls, page 155 Governance, pages 72 to 78 Governance Report, pages 119 to 188 www.ferrexpo.com/about-ferrexpo/corporate-governance/policies-and-standards www.ferrexpo.com/whistleblowing	Principal Risks, pages 102 to 115
Principal risks and impact on business activities		Business Model, pages 28 to 31 Risk Management, pages 100 to 101 Viability Statement, pages 116 to 118 Going Concern Statement, page 184	Principal Risks, pages 102 to 115
Non-financial KPIs		Key Performance Indicators, pages 36 to 39	

STAKEHOLDER ENGAGEMENT – SECTION 172

We engage with our stakeholders on an ongoing basis to understand what matters to them and how we can create common value.

The Board of Directors acts to promote the long-term sustainable success of the Company for the benefit of all stakeholders. This includes addressing the long-term strategic direction of the Company as presented in this report.

This long-term sustainable success includes governing the business in the short term during a time of war and through the challenging operating environment in Ukraine. In doing so the importance of having due regard to the matters set out in Section 172(1)(a) to (f) of the Companies Act 2006 is recognised, notably:

- The likely consequences of any decision in the long term.
- The interests of the Company's workforce.
- The need to foster the Company's business relationships with suppliers, customers and others.
- The impact of the Company's operations on the community and the environment.
- The desirability of the Company maintaining a reputation for high standards of business conduct.
- The need to act fairly between members of the Company.

The Board receives regular training and briefings on directors' duties and updates in relation to corporate governance developments and stakeholder engagement. New directors appointed to the Board receive tailored, individual briefings on their duties and obligations as part of their induction.

The following section outlines the Group's different stakeholder groups, engagement activities conducted in 2025 and feedback that was received as part of this work.

HOW CONSIDERING STAKEHOLDERS IN DECISION-MAKING WORKS IN PRACTICE

The Group engages regularly with stakeholders, with interactions largely led by the day-to-day management team, with Board-level interactions when appropriate. Where management-level engagement has taken place, feedback is provided to the Board by way of regular reporting and updates at meetings to help inform decision-making and ensure stakeholder views and considerations are taken into account.

During Board discussions, the Board considers as appropriate the various stakeholders' interests and the potential impact of decisions on relevant stakeholder groups for the purposes of Section 172 of the Companies Act 2006. This includes considering competing stakeholder interests and the differential impact certain decisions may have on different constituencies.

CREATING VALUE FOR STAKEHOLDERS

Ferrexpo has a wide range of stakeholders – from our workforce and communities located at our operations in Ukraine, to local and national governments and our international customers, investors and suppliers. We consult frequently with all our stakeholders, to help shape, coordinate and communicate our approach to responsible business and hear their feedback.

INDEPENDENT LIMITED ASSURANCE FOR NON-FINANCIAL REPORTING CRITERIA

For the 2024 Annual Report and Accounts, the Group engaged its auditors to perform a limited assurance on certain non-financial reporting criteria. This was performed for Scope 1, 2 and 3 emissions and the LTIFR measure. To save costs, unlike in 2024, limited assurance for seven human resources related reporting criteria was not repeated for 2025.



OPERATING DURING A TIME OF WAR

During the year, the main focus of the Board was to continue to operate during a time of prolonged war. A significant number of Board decisions and oversight related to this. Stakeholder interests play a fundamental part of these decisions, given the impact the war is having on all of our stakeholders. The Board considered relevant stakeholders for each decision with a strong desire to protect all of our stakeholders' interests, but with particular focus on the workforce given the unpredictable nature of the operating environment in Ukraine. The Board was also mindful of the need to balance interests of different stakeholders while at the same time protecting the financial position and long-term viability of the Company for the benefit of shareholders as a whole and the long-term success of the business. This included, for example, decisions around maintaining flexibility of our product-mix to be able to respond quickly to the changing market environment, to meet customer demands and to support the Group's operations. For further information, see the section Operating during a time of war on pages 18 to 21.

Further details on the Group's approach to the matters outlined in Section 172 can be found in the following sections of this report:

Section 172 factor	Key examples	Page
Employees and wider workforce	Operating during a time of war	18
	Our People section	22
	Responsible Business: Health and Safety	64
	Responsible Business: Diversity, Equity and Inclusion	66
Suppliers and customers	Market Review	12
	Strategic Framework	32
Local communities Environment	Operating during a time of war	18
	Responsible Business: Net Zero pathway	68
	Scenario analysis selection and TCFD	80
High standards of business	Business Model	28
	Responsible Business Review	62
	Responsible Business: Governance	72
	Risk Management	100
Investors	Interim Executive Chair's Statement	4
	Chief Financial Officer's Statement	10
	Business Model	28
	Value Proposition	29

“

The Board considers stakeholder interests and the potential impact of its decisions for the purposes of section 172 of the Companies Act 2006.

”

The table on the following pages details how the Board interacts with stakeholders.

Financial markets

We have a broad range of financial stakeholders, most notably our shareholders (institutions and individuals), in addition to banks, lenders, market experts and financial media.

How we engaged

- Annual General Meeting
- Regulatory reporting: Annual Report and Accounts, Interim Results and Quarterly Production Reports
- Voluntary reporting, in particular the Responsible Business Report
- Regulatory announcements
- Regular meetings, calls and presentations
- Financial and industry forums
- Website and electronic digests
- Company hosted forums

What matters to them

- Performance and profitability
- Corporate governance standards
- Corporate access
- Interaction with other stakeholders, such as our customers, partners and government

What was important in 2025

- Business continuity due to ongoing war in Ukraine
- Legal proceedings in Ukraine against the Company
- Weakness in iron ore markets

Feedback and response of the Board

The majority of the Board of Directors attended the 2025 AGM in person, offering shareholders a formal opportunity to provide feedback and ask questions. There was also an informal opportunity to meet with the Directors after the formal proceedings.

During the year, the Executive Directors met frequently, in person and online with existing and prospective shareholders, including on roadshows arranged by the Company's broker Panmure Liberum. Post-event feedback is provided to the Board (and Executive Committee) for deliberation.

Through the Company's investor relations and communications team, reports are submitted for every Board and Executive Committee meeting to provide in-depth updates and analysis on external communications activities.

Workforce and unions

Our people are critical to the success of our business. More than 99% of our employees and contractors are based in Ukraine, some of whom are serving in the Armed Forces of Ukraine. We also engage with former employees, recruitment agencies, trade unions and business and industrial associations.

How we engaged

- Director Designate for Workforce engagement
- In-person sessions with Directors
- Employee townhalls
- Employee engagement survey
- Weekly meetings with managers
- Print and digital channels and social media are used for internal and external communications
- Company newspaper "The Miner"

What matters to them

- Health and safety
- Job security
- Market related pay
- Career development
- Future investment
- Humanitarian support
- CSR activities
- Support for veterans

What was important in 2025

- Concerns about business continuity due to ongoing war.
- The decision of the Ukrainian tax authorities to suspend VAT refunds has had a severe impact on Group liquidity and forced a downscale in production, and in turn from time to time parts of the workforce were placed on furlough or reduced working hours
- Support for colleagues serving in the Armed Forces of Ukraine and veterans
- Visit to operations by designated Employee Engagement Director
- Employee engagement survey

Feedback and response of the Board

To ensure effective engagement, the Board recognises the importance of a strong presence in Ukraine. As a Ukrainian resident, former Non-executive Director Vitalii Lisovenko, also served as the Board's nominated representative for workforce engagement and visited operations during 2025.

The Board regularly interacts with the Group's executive management team through its various committees.

Communities and civil society

These are people who are based locally, regionally and nationally, including the mayor and council members of Horishni Plavni, and chairs and members of other local and regional councils. These stakeholders also include educational, health, cultural and sporting institutions and charity groups.

How we engaged

- Open days and key calendar events
- Humanitarian projects and initiatives
- Local infrastructure support
- Attendance at key national forums
- CSR and charity events, sometimes in partnership with other groups
- Regular digital digest and social media

What matters to them

- Local issues
- Education and health initiatives
- Employment support and professional development
- Humanitarian and charity support
- Corporate governance standards

What was important in 2025

- US\$29 million spent on more than 100 humanitarian projects and initiatives and CSR spending since February 2022

The decision of the Ukrainian tax authorities to suspend VAT refunds has had a severe impact on Group liquidity and forced a downscale in production, and in turn reduced demand for products and services from its suppliers

Feedback and response of the Board

Strong ties with local communities are maintained. The Group communicates frequently through print and digital media, television and a calendar of community activities. This includes contact with local and national officials.

The Ferrexpo Humanitarian Fund and CSR spending, which are controlled and monitored at Board level, have provided US\$29 million of funding for over 100 projects and initiatives since the full-scale invasion of Ukraine. These have included local, regional and national initiatives estimated to have reached over five million people.

Suppliers

Our suppliers include providers of equipment, consumables and services, along with ancillary and support providers, such as maintenance and professional services. The Group paid US\$502 million to suppliers in 2025 (2024: US\$657 million)

How we engaged

- Meetings and dialogue
- Meetings with Ukrenergo (the main electricity supplier in Ukraine)
- Compliance and certification processes
- Regulatory and non-regulatory announcements
- Attendance at industry forums
- Print and digital media
- Site visits

What matters to them

- Business continuity
- Availability of logistics capacity
- Alignment with Ferrexpo supplier standards
- Reduction of emissions

What was important in 2025

- Site visits to existing and potential suppliers in Europe, MENA, and Asia
- Business continuity due to ongoing war in Ukraine
- Legal cases against the Company

Feedback and response of the Board

The Group is an important player in the local economy in the Poltava Region, and therefore it is important to maintain constructive relationships with suppliers, for example by paying suppliers promptly.

By imposing a Code of Conduct and engaging with suppliers, the Group aims to reduce risks in the supply chain such as environmental concerns and modern slavery.

Customers

Our customers include steel mills in Europe, MENA and Asia, in addition to commodity traders around the world.

How we engaged

- Regular meetings with existing global customers and meetings with potential new customers
- Customer site visits internationally (those in Ukraine to resume post-war)
- Attendance at industry forums
- Reports including the Annual Report and Accounts, Responsible Business and Climate Change Reports

What matters to them

- Business continuity
- Logistics capacity and availability
- Innovation and product developments
- Corporate governance standards
- Climate change and Scope 3 emissions

What was important in 2025

The decision of the Ukrainian tax authorities to suspend VAT refunds has had a severe impact on Group liquidity and forced a downscale in production.

Missile strikes on energy infrastructure resulted in production stoppages and delays to exports

- Visits to existing and potential customers in Europe, MENA and Asia
- Business continuity due to ongoing war in Ukraine
- Security of supply
- Legal cases against the Company

Feedback and response of the Board

The Board understands that customers have concerns about the war, security of supply and logistics access. To address these, the Executive Chair visited customers around the world with the sales and marketing team to provide a transparent and open explanation of how the business is remaining resilient.

Government

Our government stakeholders are state agencies and representatives in Ukraine, Switzerland and the UK, as well as other jurisdictions. We also engage with state licensing institutions, law enforcement bodies, lobbying and politically related groups including the diplomatic community, think-tanks, industry and business associations.

How we engaged

- Regular dialogue to keep our workforce safe
- Contributions to Ukraine and EU policy development
- Dialogue to understand resource, infrastructure, transport and logistics constraints
- Site visits
- Attendance at key forums
- Regulatory and non-regulatory reporting
- Digital digest
- Position papers on critical issues
- In person and online meetings

What matters to them

- Contribution to the Ukrainian economy
- Provision of stable employment for the Poltava Region
- Positive economic and social impact in the Poltava Region and Ukraine
- Adherence to laws and regulations

What was important in 2025

- The situation in Ukraine remains challenging due to the ongoing war and it is important to have frequent and open dialogue with government and its agencies to protect the Company's people and assets. The Company is currently experiencing undue pressure on its activities due to a series of legal cases targeting its largest shareholder. It is important that Ferrexpo's perspectives are conveyed to all government-related stakeholders to protect the interests of the Company.

The decision of the Ukrainian tax authorities to suspend VAT refunds has had a severe impact on Group liquidity and forced a downscale in production, resulting in reduced socio-economic contributions to Ukraine.

Feedback and response of the Board

With direction from the Board, the Group works to maintain its legal permits and licences with various government agencies.

Board Directors, ExCo members and other management maintain ongoing dialogue with government and related officials. This is particularly important to allow the Board and management to understand the numerous changes to the operating environment, which has changed significantly throughout the war. This includes sharing information to keep our workforce safe, updates on the supply of power and access to transport and logistics infrastructure from port closures, limitations to rail access and the availability of electricity, amongst other effects. Other meetings with national and international officials are arranged frequently to convey the Board's perspectives on critical legal and financial issues.

Board members, Executive Committee and other management regularly attend domestic and international events, sometimes as speakers. This includes events dedicated to the current situation in Ukraine and eventual recovery.

THE ENVIRONMENT

The Board's principal engagement with stakeholders on environmental matters is through the Board-approved annual Responsible Business Report and updated Climate Change Report

The Group's 2024 Responsible Business Report, published in 2025, is divided into four sections, one of which is titled "Sustainable environments". This section looks at the Group's contributions to enabling the transition to green steel, nature and biodiversity, and climate change. The report also provides comprehensive environmental reporting data on emissions, energy consumption, waste generation, materials consumption, and water usage.

In December 2024, the Group published its second Climate Change Report, outlining climate-related risks and opportunities for the Group, its greenhouse gas footprint, and a potential pathway towards low carbon production by 2050. More information can be found in the Net Zero pathway section in this report. The Group decided not to refresh the Climate Change Report in 2025 because there were no significant changes to warrant an update until the war in Ukraine is over.

A Board sub-committee, called the Health, Safety, Environment and Communities ("HSEC") Committee is responsible for managing the Group's environmental policy. The terms of reference of the HSEC Committee can be viewed at www.ferrexpo.com.

Veterans and partners video series

Towards the end of 2024 and into 2025, Ferrexpo launched a video series “Veterans and Veteran Wives”, dedicated to sharing the personal stories and insights of Ukrainian veterans and their partners.

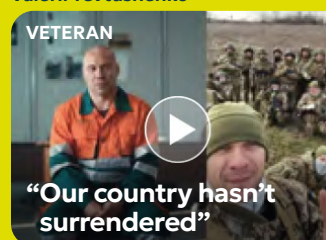
It is important to record these for two reasons: so that we can share and learn from each other today, and to ensure future generations will also have access to our experiences, in the hope that this will preserve a true and full picture of events and contribute to a more peaceful future.

A video featuring each of the veterans and their partners is released near the same time, so that viewers can see their unique stories from twin perspectives.

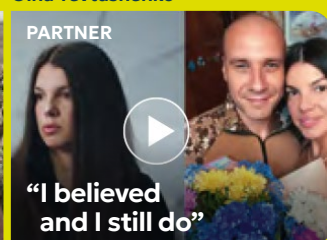


Scan the QR code to see our Veterans and Partners video series

Valerii Yevtushenko



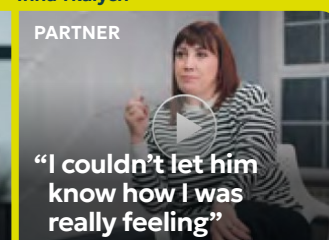
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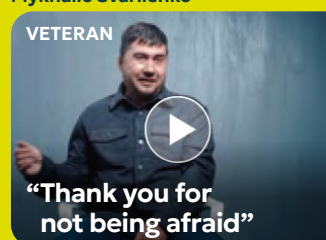
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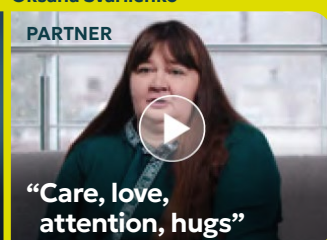
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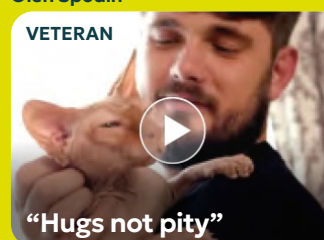
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Oksana Svariienko



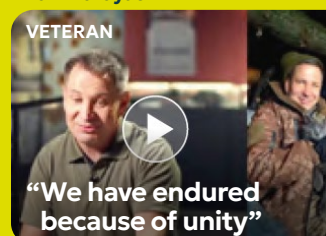
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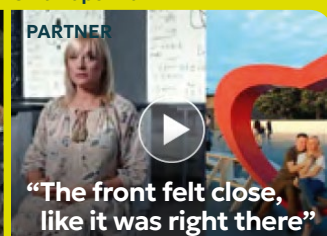
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Andrii Burdyaev



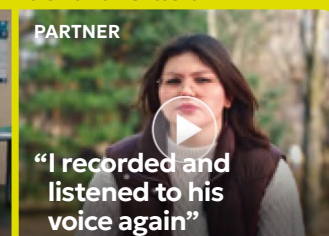
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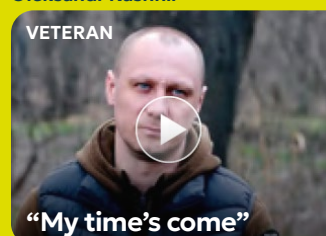
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Valeriia Kamentseva



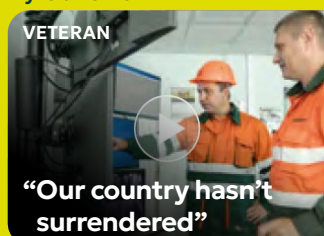
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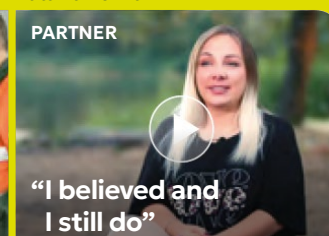
Yana Kalinichenko



Mykola Kokhan



Nataliia Kokhan



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

For the 2025 reporting period, Ferrexpo's climate-related financial disclosures have been prepared in line with the requirements of UK Listing Rule 6.6.6R(8) and section 414CB of the Companies Act 2006. Ferrexpo considers that it has made disclosures consistent with the four TCFD recommendations, covering Governance, Strategy, Risk Management, and Metrics & Targets, and associated eleven recommended disclosures.

Following last year's partial incorporation of core elements of International Sustainability Standards Board's ("ISSB") International Financial Reporting Standard ("IFRS") S2 in our reporting, this year we have voluntarily maintained (and strengthened) selected elements of the standard to enhance transparency and respond to evolving investor expectations. While our climate goals remain in place, our current priority is to maintain employee welfare, business continuity and asset safeguarding during the challenging operating environment that persists.

We intend to resume plans for further development of climate-related initiatives as conditions allow.



GOVERNANCE

Board oversight of climate-related risks and opportunities

How Ferrexpo complies

BOARD OVERSIGHT

The Board of Directors retains ultimate accountability for overseeing Ferrexpo's overall strategy, including the climate-related risks and opportunities. Climate considerations are integrated into the Board's decision-making process, including in relation to risk management, annual budgeting, operational resilience and long-term capital allocation.

SUPPORTING COMMITTEES

The Board is supported by the Health, Safety, Environment and Communities ("HSEC") Committee, which is responsible for the management of climate-related matters across Ferrexpo. The HSEC Committee receives regular structured updates on climate-related matters from members of the executive management team and other internal subject matter experts, supplemented by external advisor insights.

The HSEC Committee provides quarterly reports to the Board outlining Ferrexpo's progress against climate-related objectives, the Group's climate-related risk exposure and performance against climate-related metrics and targets. A monthly HSEC Report is also provided to and reviewed by the Executive Committee to ensure alignment between strategic objectives and operational performance.

The HSEC Committee comprises the following members:

- Fiona Macaulay – Chair of the HSEC Committee. Fiona was appointed Chair of HSEC committee in January 2025.
- Yuriy Khimich – Corporate Social Responsibility Project Leader in Ukraine & General Director of Ferrexpo Belanovo Mining.
- Greg Nortje – Chief Human Resources Officer.
- Nataliya Storozh – Director for Occupational Health and Safety in Ukraine.

The Audit Committee serves as a partner to the Board by monitoring Ferrexpo's overall risk exposure, risk appetite, and effectiveness of risk management including internal control systems which entails climate-related matters. The Audit Committee is assisted in its oversight role by the Finance, Risk Management and Compliance Committee ("FRMCC"), which undertakes both regular and ad hoc reviews of risk management controls and procedures, including in relation to the climate-related risks. The results of these reviews are reported to the Audit Committee. The Chair of the Audit Committee reports to the Board after each meeting on all matters within its duties and responsibilities, including any climate-related matters that were discussed.

The governance structure and combined roles and responsibilities of the various committees and their respective members ensure robust, comprehensive and inclusive oversight of ESG topics, including climate-related risks and opportunities across Ferrexpo's operations and business. This structure leverages the expertise and experience of the committee members, enabling the development and implementation of effective strategies and actions to address climate-related risks and capitalise on identified opportunities.

Actions in 2025

Climate change was included as a standing agenda item at all scheduled Board meetings in 2025. The HSEC Committee met four times during the year (also four times in 2024). Climate change is highlighted as a standing agenda item at all scheduled HSEC meetings throughout the year.

FURTHER REFINEMENTS

Ferrexpo is committed to the continued delivery of climate-related education for the Board through ESG Engagement Sessions. These include, for example, sessions on evolving climate related legislation and regulations, as well as the emerging UK and EU climate-related policies and expectations on climate change reporting. In 2025, two climate-focused education sessions were delivered to the Board by our auditors, MHA, as part of the ESG Engagement Sessions program.

Through our sustainability consulting partner, we are also monitoring the progress related to the UK Sustainability Reporting Standards ("UK SRS") and the IFRS Standards ("S1 & S2").

GOVERNANCE CONTINUED

Management's role in assessing and managing climate-related risks and opportunities

How Ferrexpo complies

Management plays a central role in identifying, assessing and managing climate-related risks and opportunities within Ferrexpo's overall Enterprise Risk Management ("ERM") framework.

EXECUTIVE COMMITTEE

The Executive Committee, chaired by Interim Executive Chair Lucio Genovese, oversees the implementation of Ferrexpo's climate strategy, monitoring of controls (planned and implemented), and mitigation of Ferrexpo-wide risks. The Committee is supported by the members representing various essential business functions, including Operations, Human Resources, Marketing, Finance, and Engineering.

Regular updates on climate-related performance, regulatory developments and progress against strategic climate objectives are reviewed as part of the Executive Committee's standing agenda.

Ferrexpo's executive management team monitors and assesses climate-related risks through its internal risk monitoring processes as part of the FRMCC, which is chaired by Nikolay Kladiev, the Chief Financial Officer. The FRMCC is responsible for evaluating climate-related risks within the wider risk register, ensuring alignment with Ferrexpo's risk appetite and overseeing the effectiveness of mitigation actions.

Further detail on the processes used to identify, assess and manage climate-related risks and opportunities is provided in the 'Risk Management' section of this report.

Actions in 2025

In 2025, the FRMCC met nine times to review Ferrexpo's risk profile, including climate-related risks. During the year, the FRMCC integrated the outcomes of the 2025 climate materiality assessment review into the risk register and oversaw management's refinement of associated controls and response plans.

Governance structures and risk management processes



STRATEGY

Climate-related risks and opportunities identified over the short, medium and long term

How Ferrexpo complies

In collaboration with our sustainability consultancy partner – Ricardo, a global strategic engineering, environmental, and technical consultancy and a member of WSP, Ferrexpo undertook a comprehensive review of its climate-related risks and opportunities in 2024. This drew on insights from the latest science at the time, regulatory developments, our 2023 Double Materiality Assessment (“DMA”) and industry specific frameworks, such as the SASB Extractives and Mineral Processing Sector Standards.

In 2025, we re-reviewed the 63 climate-related risks and opportunities identified in 2024. This review confirmed that 29 of the 30 previously identified material risks and opportunities remained material. The material issues were grouped into six focus areas:

- 1 Energy & Emissions,
- 2 Climate-related Policy & Legislation,
- 3 Market Demand – Green Steel,
- 4 Stakeholder Climate Consciousness,
- 5 Circular Economy Principles,
- 6 Physical Climate Risks.

As part of the annual refresh, in 2025 we reviewed the 63 climate-related risks and opportunities identified in 2024, which resulted in 29 (14 risks and 15 opportunities) assessed as material based on multiple criteria (potential magnitude, likelihood and business impact). “Heatwaves” which was assessed as a material risk within the 2024 “Physical Climate Risk” focus group area, was reassessed in 2025 and determined no longer to meet the threshold for financial materiality. See Actions in 2025 for more details. As heatwaves was the only material risk in the Physical Climate Risk grouping, we now only have five focus areas.

Our climate-related risks and opportunities were considered over the following time horizons: short- (2025-2030), medium- (2030-2040), and long-term (2040-2050) timeframes. The short-term horizon reflects our five-year strategic and financial planning cycle, and the medium and long-term timeframes are consistent with our net zero targets. These horizons ensure that climate-related impacts are integrated into operational planning, investment decisions and long-term strategic choices.

We used scenario analysis to determine which risks and opportunities could have a material financial impact on our business, by evaluating the impacts on operating costs, ability to generate revenues, business interruption, supply chain issues and the timing of key Company events and milestones across the selected climate scenarios. For further information, see the ‘Resilience of strategy considering climate-related scenarios’ disclosures below.

A description of the climate-related risks and opportunities in the short, medium, and long term that could have a material financial impact on Ferrexpo is available on page 113 in this report.

Actions in 2025

In 2025, our refresh process for material climate-related risks and opportunities was informed by emerging global and regional trends (where applicable and available), as well as evolving legislative and regulatory requirements. This included insights from last year’s TCFD disclosures, our 2024 climate change regulatory analysis (see our Climate Change Report for more detail) and the output of our 2023 DMA.

The 2025 review confirmed that no new climate-related risks or opportunities were identified that materially alter Ferrexpo’s existing climate risk profile.

The removal of “heatwaves”, as a standalone risk within the “Physical risk” focus area in the 2025 assessment, does not indicate a reduction in oversight. This reassessment reflects a review of updated asset-level exposure assessment in Ukraine, operational performance data and the effectiveness of existing mitigation and adaptive controls. In particular, Ferrexpo’s operating assets are not located in regions currently assessed as highly vulnerable to prolonged or extreme heat events and historical operating data has not indicated a material impact on production continuity, asset integrity or financial performance from heat-related events. The change does not materially affect Ferrexpo’s principal climate-related risk profile or the conclusions from the 2024 climate scenario analysis other than to remove the “Physical risk” focus area.

FURTHER REFINEMENTS

Ferrexpo’s operating assets are located in Ukraine, which is assessed as vulnerable to prolonged and extreme heat events; however, historical operating data has not indicated a material impact on production continuity, asset integrity or financial performance from heat-related events to date.

Ferrexpo also intends to continue to update and refine the process of identifying climate-related risks and opportunities, including those related to wider sustainability issues.

STRATEGY CONTINUED

Impact on the business, strategy and financial planning

How Ferrexpo complies

Climate change considerations are central to Ferrexpo's business model. As part of a scenario analysis, Ferrexpo considered potential impacts across revenues, expenditures, assets and liabilities, capital, and financing. These considerations informed the qualitative evaluation of climate-related risks and opportunities, including the high, medium and low ratings presented in this report. Outcomes from the 2025 TCFD refresh will also inform future Climate Change Reports and the 2026 Annual Report and Accounts. However, disclosure of more specific, particularly quantitative, financial planning impacts remains subject to commercial sensitivity considerations.

The climate-related risks and opportunities identified through scenario analysis form a core input to Ferrexpo's business strategy and financial planning across the defined short-, medium-, and long-term horizons. These insights guide the Company's strategic decisions and investment priorities to effectively mitigate risks and capture emerging opportunities in line with our long-term sustainability objectives. Key areas of focus include the expansion of direct reduction pellet production, investment in low-carbon technologies, and the transition to renewable energy sources. See page 83 under the "Strategy – climate risks and opportunities and scenario analysis" section, which discusses the prioritisation of climate-related risks.

Climate-related risks input into financial planning processes through the consideration of the potential carbon emissions footprint of existing and proposed operating projects and capital investment projects.

Climate-related factors are expected to negatively impact financial performance in the short to medium term (CapEx, OpEx and regulatory costs of the EU Carbon Border Adjustment Mechanism ("EU CBAM")), but may present opportunities in the long term due to an anticipated change in demand for iron ore feedstocks that enable the transition to lower emissions steelmaking.

Nevertheless, we remain focused on meeting our regulatory obligations and aligning with a 1.5°C pathway, even in the event that the war in Ukraine is prolonged. Our GHG targets and planned decarbonisation investments remains on track as described further on pages 68 to 69.

In 2024, we undertook quantitative financial analyses of one material risk and one material opportunity:

- 1 Energy & Emissions: energy usage & GHG emissions (risk) – modelling the potential financial impact linked to our emissions and carbon taxes.
- 2 Market Demand – Green Steel (opportunity): iron ore pellet sustainability price premiums – modelling the potential financial impacts linked to the expansion of our direct reduction electric arc furnace ("DR-EAF") pellets into the emerging green steel market. These analyses enabled us to quantify the financial impacts of these material climate risks and opportunities for further integration into our risk management and strategic planning. This financial quantification incorporated our business assets, revenue, and costs, and considered potential changes to future revenue streams. A complete description of business impacts under each focus area is available on page 95.

Actions in 2025

We continued to monitor the potential impacts of the EU CBAM, Ukraine's EU accession and other policy developments. For example:

- With changes to the EU CBAM with the release of the Omnibus 1 Package in February 2025, as an exporter to EU customers, Ferrexpo expects increased scrutiny and data demands on our GHG emissions reporting and data management practices.
- The requirement in 2025 to procure grey electricity outside Ukraine has affected our green electricity procurement strategy and our Scope 2 emission reduction progress.
- Plans to electrify our mining fleet have been delayed due to the war.
- The market demand and transition to green steel in Europe is progressing slower than previously anticipated, due to delayed progress in the scaling of affordable green hydrogen.

We have also been following the development of the Transition Plan Taskforce ("TPT") Disclosure Framework, with a focus on the Metals & Mining Sector.

Furthermore, as Ukraine advances towards an emissions trading scheme ("ETS") with a first pilot launch now expected in 2028, followed by a second operational phase no earlier than three years after the cancellation of martial law. This may face further delays due to the ongoing war and will begin after economic stabilisation. To mitigate the impacts of the EU CBAM and ETS, Ferrexpo remains focused on reducing the embodied carbon in our products. We continue to conduct further desktop research to better understand the technology, equipment, and offsetting capacity required to transition Ferrexpo to a net zero business by 2050, to support the development of an internal carbon price and to more comprehensively consider short- and long-term impacts.

In 2025, we continued to review and strengthen our resilience measures against material risks and opportunities. Further details can be found on pages 94 to 98 of this report.

FURTHER REFINEMENTS

While specific details of our financial analyses are considered commercially sensitive, we plan to advance and further invest in the quantitative analysis of our other material climate-related risks and opportunities to strengthen our transition planning, with the aim of publishing our results in future reports.

STRATEGY CONTINUED

Resilience of strategy considering climate-related scenarios

How Ferrexpo complies

In 2024, to assess our business impact and resiliency to each material climate-related risk and opportunity under short- (2024-2030), medium- (2030-2040) and long-term (2040-2050) timeframes, we used climate scenarios from publicly available, scientifically recognised independent climate change authorities. We selected four scenarios: two from the IEA and two from the IPCC, providing context on risks and opportunities as the economy transitions to net zero and global temperatures rise. The scenarios included:

- IEA Net Zero Emissions by 2050 (NZE) – Paris Agreement aligned.
- IEA Stated Policy Scenario (STEPS).
- IPCC SSP1-RCP 2.6 – Paris Agreement aligned.
- IPCC SSP4-RCP 3.4.

Additionally, in 2024 we considered the potential impacts of the war in Ukraine across multiple scenarios and time horizons, recognising the added challenges these circumstances could present to our resilience strategies at Ferrexpo, particularly in the short term. Resiliency and adaptive capability measures were reviewed in order to update the maiden Climate Change Report and identify new actions to ensure an updated strategic plan of action across the short, medium, and long term.

Further details and justification of the scenarios used can be found on pages 97 to 98.

The modelling we undertook in 2024 provides insights into our resilience efforts and planning for various climate-related risks and opportunities identified. Whilst regulatory shifts in energy supply and carbon pricing may raise concern about Ferrexpo's operating costs, our scenario analysis indicates that short-term impacts are manageable, with medium- and long-term risks being continually monitored and solutions being investigated.

Through scenario analysis and integration of mitigation plans into business strategy, we are confident the resilience of our business and climate change adaption efforts are sufficient and in place to manage the identified material climate-related risks and opportunities.

Please refer to pages 19 to 34 in the 2024 Climate Change Report for further detail on our TCFD process and results of the last TCFD comprehensive climate scenario analysis review.

Actions in 2025

In 2025, Ferrexpo has implemented additional resiliency measures to further reduce emissions across our operations. These include:

- The increase in production of iron ore concentrate, which does not require pelletization. This shift contributes to lower Scope 1 and 2 emissions, while enhancing business resiliency by enabling continued production and supporting new product development.

In addition, we are advancing circularity initiatives to improve resilience and resource efficiency related to water use. Our long-term goal is to implement a fully closed water management system, enabling water collection from tailings storage facilities and pits for reuse in processing. By the end of 2025, we achieved a 98% closed-loop water circuit system in our operations. By applying circular economy principles to water management, this initiative reduces energy demand associated with water withdrawal and recycling, supporting lower operational emissions across Ferrexpo's operations.

Between TCFD refresh cycles, we continue to strengthen Ferrexpo's resilience to regulatory changes. For example, as access to Ukrainian ports has been restored, our access to global markets has improved, allowing us to progressively expand our market reach in non-EU markets. This has reduced our dependence on solely EU markets and in turn reduced our exposure to EU CBAM.

For a detailed overview and progress update on Ferrexpo's new and existing resilience strategies to mitigate risks and leverage opportunities under each focus area, refer to pages 94 to 98 in this report, as well as pages 68 to 71 in our Responsible Business Report.

FURTHER REFINEMENTS

To align with leading practices, our ambition is to renew our detailed comprehensive climate scenario analysis every three years, unless there is a significant change to the business or external change related to identified risks and opportunities that requires an update sooner. We intend to continue to review our climate-related risks and opportunities annually through our risk management process, adjusting any financial impacts based on the latest data and drive progress on our resiliency actions in line with our targets and goals.

RISK MANAGEMENT

Processes for identifying and assessing climate-related risks

How Ferrexpo complies

Ferrexpo's Board of Directors, including the Interim Executive Chair, oversees Ferrexpo's strategy and future direction. This includes overall responsibility for the identification and assessment of emerging and principal risks (including climate change) and associated strategies to manage and mitigate such risks.

Ferrexpo maintains an internal risk register to evaluate principal and emerging risks related to our business, including climate-related risks. This determines their relative significance regarding financial impact, probability, maximum foreseeable loss, trends, and mitigating actions.

The risk register is reviewed monthly and discussed by executive management and the finance and legal teams at meetings of the FRMCC. Here, the completeness of the risk register is also considered, and any new identifiable risks are added. The risk register is also discussed and reviewed by the Audit Committee on a quarterly basis. The reports are ultimately escalated to the Board through the Audit Committee for further review and approval of the risk register.

The FRMCC closely monitors existing and proposed regulatory requirements to assess how they may pose risks to our business and impact our future strategy.

In 2024, the Group conducted an in-depth analysis of its business and financial exposure to climate risks, evaluating both operational and strategic resilience through a comprehensive review of climate policies and regulations. This included assessing current and emerging regulatory landscapes across the entire value chain, with a particular focus on the markets into which we sell our products. For example, the EU CBAM carbon tariff on imports affects how our products are sold into the EU. This policy and regulatory analysis support Ferrexpo's process for identifying and assessing climate-related risks by providing critical insights into regulatory impacts and potential vulnerabilities.

Refer to the Principal Risks section on page 113 for further information on climate risk integration amongst our other principal risks.

Actions in 2025

In 2025, Ferrexpo completed a review of the outputs of the 2024 climate scenario analysis and climate-related risk assessment. This review confirmed that no new climate-related risks or opportunities were identified that would materially alter Ferrexpo's existing climate risk profile. As part of this process, heatwaves were removed as a standalone climate-related risk, reflecting updated analysis and operational controls. This does not materially impact Ferrexpo's assessment of its principal climate change risk but does remove the focus area for physical risks in 2025 climate scenario analysis.

FURTHER REFINEMENTS

We plan to continue to monitor and assess the risks and opportunities that were not deemed financially material in previous assessments, as they may become more relevant in the future due to changes in the markets and regulatory landscapes.

We also plan to continue to monitor climate risks and opportunities integrated into our risk register, which are assessed and managed under Ferrexpo's risk management process. Refer to the "How processes for identifying, assessing, and managing climate-related risks are integrated into overall risk management" section below for further information.

RISK MANAGEMENT CONTINUED

Processes for managing climate-related risks

How Ferrexpo complies

To effectively manage climate-related risks, the Board holds the responsibility to continuously oversee our risk management and internal control systems, with support from the Audit Committee, Executive Committee, HSEC Committee, and FRMCC, as detailed above.

Where a risk is deemed to be sufficiently significant in terms of potential impact or likelihood, appropriate risk mitigation measures are sought, including with the assistance of third-party specialists where relevant (refer to Strategy section – climate risks and opportunities and scenario analysis on pages 94 to 98, which discusses the materiality process and prioritisation of climate-related risks).

The Interim Executive Chair, Chief Financial Officer, Chief Operating Officer, Chief Human Resources Officer, and Interim Chief Marketing Officer manage specific risks, including climate-related risks, on a day-to-day basis related to their functions.

Further information on the actions taken to manage and mitigate risks relating to climate change is set out in the Principal Risks section on page 113.

Actions in 2025

The ongoing war in Ukraine has created unprecedented operational and financial challenges, resulting in delays out of our control to the planned implementation of our climate-related programmes, necessitating that we shift our current focus from decarbonised growth to business continuity and resilience.

While we remain committed to our climate targets and goals in the long term, we are prioritising employee safety and welfare, and business continuity during these challenging times. With significant disruptions to electricity supply, the Ukrainian rail network, and the broader instability, our shift in focus takes into account the dynamic operating environment that continues to prevail as a result of the war in Ukraine. Continuous monitoring, transparent communication of progress, and adapting strategies to emerging conditions will be essential for managing the impact of these disruptions effectively.

FURTHER REFINEMENTS

We plan to continue to manage climate risks and opportunities integrated into our risk register under Ferrexpo's risk management process.

How processes for identifying, assessing, and managing climate-related risks are integrated into overall risk management

How Ferrexpo complies

Climate-related risks are integrated into Ferrexpo's Group Risk Management Framework and are managed through the same governance, assessment and reporting processes as other material business risks. In practice, this means climate-related risks and opportunities are identified through functional risk reviews, scenario analysis, external intelligence and regulatory monitoring; assessed using the Group's probability and impact methodology, including financial, operational, environmental, legal, safety and reputational factors; assigned to Risk Owners; and recorded in the Group Risk Register.

Material risks are reviewed through ERM reporting, with oversight by the FRMCC, EXCO, Audit Committee and Board, and mitigation actions and controls are considered as part of the residual risk assessment.

Further details of our risk management processes are set out above and also in the Risk Management section on pages 100 to 101.

Actions in 2025

We are focused on providing our stakeholders with an update on our progress in implementing our climate transition plan, which will include an overview of our strategies for identifying, assessing, and managing climate-related risks and opportunities in the metals and mining sector, and how these are integrated into Ferrexpo's overall risk management.

Further details of Ferrexpo's climate transition plans are available in our Climate Change Report update published in December 2024.

METRICS AND TARGETS

Metrics used to assess climate-related risks and opportunities

How Ferrexpo complies

Ferrexpo uses a wide range of climate-related metrics including GHG emissions (Scopes 1, 2 and 3 and emissions intensity), as well as other significant air emissions (including SOx and NOx), fuel consumption, water usage and return, waste generation and land use including biodiversity baseline mapping to assess and manage climate-related risks and opportunities. Further details on these metrics, including the Emissions and Environment metrics are provided on pages 68 to 71, and in the Scope 1, 2 and 3 greenhouse gas emissions and Targets disclosures on pages 88 to 89.

For more information on our emissions data (Scope 1, 2 and 3) and climate-related metrics, please see pages 68 to 71 in this report and our 2024 Responsible Business Report, which have been prepared with reference to the Global Reporting Initiative ("GRI") standards.

As part of the 2024 TCFD refresh, our monitored climate-related metrics were re-evaluated to ensure they continue to align with Ferrexpo's goals and the expectations of stakeholders. These include: steel carbon intensity, trends in carbon pricing, data on electric arc furnace steel production, recycling rates, renewable energy availability and costs, green steel market trend, and related client preferences. These metrics were selected based on their direct relevance to Ferrexpo's operations and products, and their ability to effectively track policy, market, and technological changes.

CLIMATE-RELATED REMUNERATION POLICIES

As a result of the ongoing war in Ukraine, the Group's short-term executive incentive arrangements does not currently incorporate specific climate-related performance targets or annual targets linked to Scope 1 or Scope 2 emissions reduction. The plan does, however, include a key performance indicator relating to compliance with the Group's environmental plan, covering broader mining environmental compliance measures such as ore dilution ratio, stripping ratio, discharge of pollutants, topsoil removal and storage, and radiation levels. Climate change related metrics are expected be reintroduced when the war ends. Separately, awards under the Group's the Long-term Incentive Plan ("LTIP") are subject to an underpin that enables the Board to reduce or cancel share grants where it considers that executives have not delivered against the Board's strategic priorities, which include climate-related targets. We set annual targets that are aligned with our medium-term carbon reduction goals for Scope 1 and Scope 2 emissions, aiming for 50% reduction by 2030.

More information can be found on page 174, and throughout our 2024 Climate Change Report.

Actions in 2025

As a result of the ongoing war in Ukraine, the Group's short-term executive incentive arrangements do not currently incorporate specific climate-related performance targets or annual targets linked to Scope 1 or Scope 2 emissions reduction. The plan does, however, include a key performance indicator relating to compliance with the Group's environmental plan, covering broader mining environmental compliance measures such as ore dilution ratio, stripping ratio, discharge of pollutants, topsoil removal and storage, and radiation levels. Climate change related metrics are expected to be reintroduced when the war ends. Separately, awards under the Group's the Long-term Incentive Plan ("LTIP") are subject to an underpin that enables the Board to reduce or cancel share grants where it considers that executives have not delivered against the Board's strategic priorities, which include climate-related targets. We set annual targets that are aligned with our medium-term carbon reduction goals for Scope 1 and Scope 2 emissions, aiming for 50% reduction by 2030.

FURTHER REFINEMENTS

Despite the challenges of war in Ukraine, Ferrexpo continues to monitor climate-related metrics and developing policy landscapes such as EU CBAM and Ukraine ETS to ensure the alignment of our business strategy and resiliency responses with our targets, so that we remain responsive to evolving market demands and environmental imperatives.

METRICS AND TARGETS CONTINUED

Scope 1, 2 and 3 greenhouse gas emissions

How Ferrexpo complies

We have calculated Scope 1, 2 and 3 emissions, including our reductions to date against a 2019 baseline (see pages 68 to 69 in this report). Our methodology for calculating GHG emissions footprint utilises, where possible, emissions factors provided by the Greenhouse Gas Protocol, which is in line with reporting requirements under the GRI framework. Through the use of carbon factors provided by the Greenhouse Gas Protocol, the Group is able to provide carbon dioxide-equivalent emissions figures ("CO₂e") that also account for emissions of both methane ("CH₄") and nitrogen oxide ("N₂O"). We include historical periods to allow for trend analysis.

In 2024, for the second consecutive year, the Group's principal auditor, MHA, independently assured our Scope 1 and Scope 2 emissions. While the Group had planned to repeat this assurance process in 2025 and expand its scope to include Scope 3 emissions, budgetary constraints meant that this work could not proceed. The Group intends to resume independent assurance, including consideration of Scope 3 emissions, when financial circumstances improve.

Actions in 2025

The Group emissions on a kg/t unit basis from 2019 to 2025 are as follows:

- Scope 1 emissions: reduced by 29%
- Scope 2 emissions: reduced by 47%
- Scope 3 emissions: increased by 53%

Targets to manage climate-related risks and opportunities

How Ferrexpo complies

In 2024, we collaborated with our sustainability consulting partner, Ricardo, to create a science-based roadmap for achieving net zero emissions by 2050. Our latest pathway analysis has assessed the potential to achieve an approximate 90% reduction in emissions across all scopes, supporting our plans to align our target to the Science-Based Targets initiative.

Our initial carbon reduction targets were developed as part of the decarbonisation pathways throughout 2021 and 2022 and were outlined in our inaugural Climate Change Report in 2022 and then reinstated in our second updated Climate Change report in 2024.

Our targets included achieving net zero emissions by 2050 and a 50% reduction by 2030 across Scope 1 and 2 emissions, and a 10% reduction by 2030 and 50% reduction by 2050 in Scope 3 emissions (all against a 2019 baseline). In FY25, these have been put on hold due to the ongoing war in Ukraine.

Due to the war in Ukraine, we consider emissions per tonne, not absolute emissions, as the most representative performance measure. Although we are not currently able to set formal science-based targets due to the ongoing war, Ferrexpo remains focused on decarbonisation, aiming to reduce emissions across our operations.

Actions in 2025

We continue to develop our decarbonisation and net zero strategy to support the achievement of our emissions targets. Some programmes, such as plans to electrify our mining fleet, remain on hold due to the practicalities of operating during ongoing war time. As such, our targets have been put on hold in FY25. However, our intention to reach net zero, in particular to advance decarbonisation through resilient strategies that support the transition to low-carbon steel and enable sustained emissions reductions, still stands, and our ambitions in the field were published in our second Climate Change Report.

STRATEGY: CLIMATE-RELATED RISKS AND OPPORTUNITIES, AND SCENARIO ANALYSIS

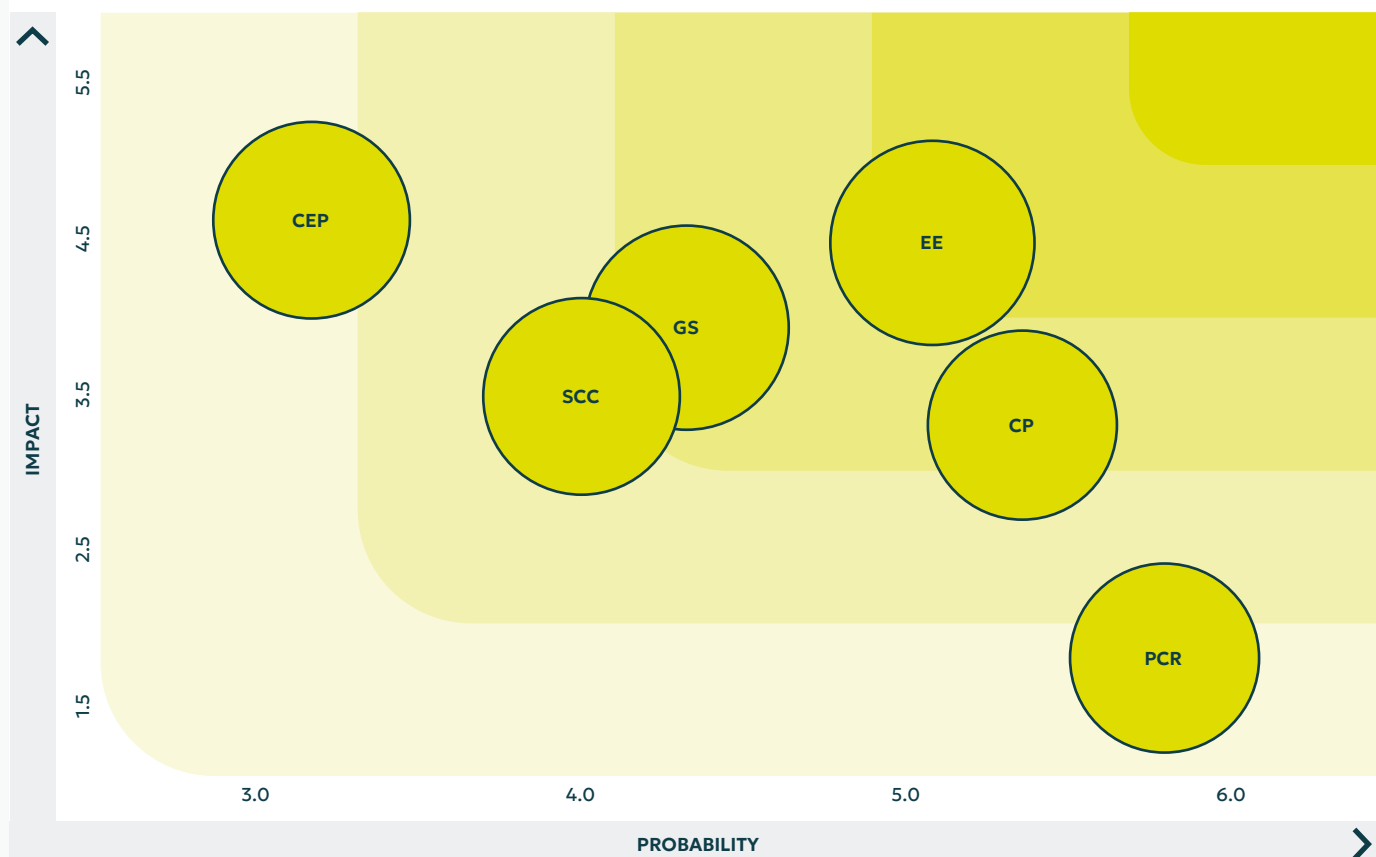
Scenario analysis is a strategic tool used to explore potential climate futures by examining a range of ‘what-if’ scenarios, from rapid decarbonisation under a Net-Zero scenario to ‘business-as-usual.’ This process allows Ferrexpo to stress-test current strategies to identify those that are resilient across different climate outcomes, challenging assumptions, fostering innovation, and building resilience. A rigorous process to refresh Ferrexpo’s list of climate-related risks and opportunities was applied for scenario analysis in 2024 to help strengthen our resiliency strategies to maximise climate-related opportunities and minimise risks.

Overview of scenario analysis process used in 2024



Updates to Risk & Opportunity Prioritisation Matrix

In 2025, we re-reviewed our 63 climate-related risks and opportunities, which resulted in 29 (14 risks and 15 opportunities) assessed as material. No new risks or opportunities were identified in 2025. The reduction of one former material risk from 2024 was related to the previously identified “Physical Climate Risk” focus area, which considered the acute physical risk, heatwaves. As heatwave was the only material risk related to Physical Climate Risk, this focus area has been removed. Nevertheless, we will continue to revisit and re-assess the potential materiality of heatwaves and other climate-related physical risks during future refreshes.



EE	Energy & Emissions
CP	Climate-related Policy & Legislation
GS	Market Demand – Green Steel
PCR	Physical Climate Risks
SCC	Stakeholder Climate Consciousness
CEP	Circular Economy Principles

Focus area	Priority order
Energy & Emissions	#1
Climate-related Policy & Legislation	#2
Market Demand – Green Steel	#3
Physical Climate Risks	#4
Stakeholder Climate Consciousness	#5
Circular Economy Principles	#6

Scenario selection and time horizons

Due to the split of transition and physical climate-related risks and opportunities identified in 2024, scenarios adapted from the IEA and IPCC were selected to assess the business impacts of and Ferrexpo's resilience to each climate-material risk and opportunity under the focus areas. Given the IEA's focus on energy systems and shorter to medium-term projections, IEA scenarios primarily assessed transition-related risks, while the IPCC's specificity on increasing temperatures and weather patterns, helped evaluate physical impacts.

Ferrexpo's climate-related risk assessment considers both transition and physical climate risks, including flooding, extreme weather events and other potential acute and chronic climate impacts. Following the 2025 refresh, no physical climate risks were assessed as financially material; however, these risks continue to be monitored through the Group's risk management framework and will be reassessed where climate projections, operational conditions or regulatory expectations change.

TRANSITION

IEA Net Zero Emissions by 2050 ("NZE")

A "best-case" scenario where the Paris Aligned 1.5°C goal is achieved through policies paving a feasible path for the global energy sector to reach net zero CO₂ emissions by 2050, with advanced economies achieving this earlier. This scenario replaces the previously used Sustainable Development Scenario ("SDS"), which was not aligned with the Paris Agreement, and is no longer modelled by the IEA.

KEY METRICS:

- Paris Agreement aligned (1.5°C)
- Global carbon price by economy (e.g. US\$250/tonne CO₂ by 2050)
- Internal and shadow carbon prices, by geography
- Hydrogen demand
- Carbon intensity of steel
- Steel production costs by geography

PHYSICAL

IPCC SSP1 – RCP 2.6

A "best-case" scenario where global development follows a sustainable path and envisions robust international cooperation, rapid technological advancements, and significant progress in reducing inequality and environmental degradation.

KEY METRICS:

- 1.8°C temperature rise by 2080 – 2100.
- Mean temperature in Central and Eastern Europe
- Extreme heat days (can be defined as consecutive days with temperatures over 30 – 35°C)

IEA Stated Policy Scenario ("STEPS")

A worst-case, "business as usual" scenario which provides a more conservative benchmark whereby governments are assumed not to reach all announced goals.

KEY METRICS:

- 2.4°C Temperature Rise by 2100
- Global energy consumption by sector and fuel type
- Global energy supply sources
- Iron & steel sector CO₂ emissions
- Global carbon price by economy (e.g. US\$135/t by 2050)
- Internal carbon price, shadow carbon price, by geography
- Crude steel production volumes by production method
- Scrap share in metallic inputs

IPCC SSP4 – RCP 3.4

A worst-case, "business as usual" scenario where highly unequal investments in human capital, combined with increasing disparities in economic opportunity and political power, lead to increasing inequalities and stratification across and within countries.

KEY METRICS:

- 3.7°C temperature rise by 2080 – 2100.
- Mean temperature in Central and Eastern Europe
- Extreme heat days (can be defined as consecutive days with temperatures over 30 – 35°C)

War context – war scenarios considerations

As the full-scale invasion of Ukraine entered its fifth year in February 2026, the geopolitical outlook remains highly uncertain. The evolving dynamics of war has had a significant impact on Ferrexpo's workforce and operations, particularly due to reduced availability of people and required skills as more employees have been conscripted to join the Armed Forces of Ukraine, and visible fatigue among our workforce who continue to operate under sustained pressure.

Since the publication of our inaugural Climate Change Report in December 2022, the war has continued, and its trajectory remains highly unclear. In addition to the climate scenarios outlined above, we have also incorporated the ongoing implications of Russia's war on Ukraine through two dedicated scenarios described below. These scenarios reflect the additional direct and indirect challenges that may potentially influence Ferrexpo's ability to strengthen its resilience strategies:

Continuation of the War: In the event that the war persists, Ferrexpo faces significant challenges in meeting its climate targets. This scenario considers how prolonged war impacts in the form of different sets of challenges and what strategies Ferrexpo can employ to mitigate these challenges.

Post-War rapid achievement of climate targets: Once the war is over, Ferrexpo aims to rapidly accelerate its efforts to achieve climate targets. This scenario explores the necessary actions, investments, and innovations required to make up for lost time and progress.

Post-War business-as-usual scenario: Ferrexpo continuously monitors and evaluates how to achieve climate targets under normalised operation, such as a business-as-usual post-war scenario. However, based on internal assessments, at a high-level it would likely take at least 24 to 36 months post-war to restore full production capacities.

These scenarios may result in specific challenges that affect Ferrexpo's near-term strategies and ability to seize climate-related opportunities and effectively manage risks:

- **Energy and infrastructure challenges:** Attacks on Ukrainian energy generation and transmission infrastructure (including green energy) have affected the availability and supply of energy, which has also forced delays in Ferrexpo's own planned expansion of self-generated renewable energy. In 2024, Ukrainian law mandated that up to 80% of electricity to be purchased from neighbouring European countries depending on the availability of domestic supply. This may affect Ferrexpo's Scope 2 emissions if imported energy does not come from renewable sources. Although less energy was imported during 2025, this law remains in place. In early November 2025, two missiles hit a sub-station resulting in total blackout and halted the production capability for a month (Q4 of 2025).
- **Logistic challenges:** In 2023, limited access to certain Ukrainian Black Sea ports was restored, allowing for the resumption of seaborne exports. During 2025, Ferrexpo has focused on using large cape size vessels, which due to their size are more efficient in terms of emissions per tonne. Towards the end of 2025, port availability became more challenging due to an increase in coal imports and export of grain and seeds.
- **Funding challenges:** Current challenges in securing international finance makes the funding of initiatives to reduce emissions not possible. In a scenario where war ends, there is also the risk that any funding is focused on rebuilding critical national infrastructure over private enterprises.
- **Workforce challenges:** Disruptions may slow the response to climate policies due to employee safety concerns, workforce conscription and other war-related workforce structure and composition issues.
- **Time constraints:** Limited time remains to achieve net zero targets.

Climate-related risks and opportunities and scenario analysis

Energy & emissions

Considers emissions management across Scope 1, 2 and 3, the transition to renewable energy, energy efficiency and alignment with global and regional climate targets.

GEOGRAPHIC FOCUS: UKRAINE, EU

RISKS

- Electrification of mining processes
- Energy usage & GHG emissions
- Scope 3 emissions
- Limited alternative energy sources, including nuclear energy
- Ukraine grid mix uncertainty

OPPORTUNITIES

- Renewable energy sourcing
- Alternative fuels
- Electrification of mining processes

POTENTIAL BUSINESS IMPACT:

- High CapEx for low-carbon technologies raises upfront costs but can lower long-term expenses.
- The war risks disrupting green energy infrastructure, limiting renewable energy use in operations.
- Delayed decarbonisation risks increased operational costs due to carbon taxes and loss of competitive edge.
- Post-war, faster decarbonisation than competitors offer reputational gains, investor support, and capital access.

RISK RATING

Short	Medium	Long
2024-2030	2030-2040	2040+
IEA STEPS		
●	●	●
IEA NZA		
●	●	●

Key: ● Low ● Medium ● High

OPPORTUNITY RATING

Short	Medium	Long
2024-2030	2030-2040	2040+
IEA STEPS		
●	●	●
IEA NZA		
●	●	●

Key: ● Low ● Medium ● High

POTENTIAL RESILIENCY RESPONSES:

Current	Near-term (2025-2030)	Longer-term (2030+)
• Original Equipment Manufacturer and industry site visits and attending events to gain insights into mining decarbonisation and implement key learnings. • Electrification of mining vehicles and improved energy efficiency to reduce Scope 1 GHG emissions. • Transition to clean electricity sources, while implementing more efficient processes and equipment upgrades. • Increase direct reduction ("DR") pellet sales to reduce Scope 3 emissions and support green steelmaking. • Due to a fall in European steel production and general slowing of the transition to greener steel production, we reduced the proportion of DR pellets produced during the year in favour of premium concentrates for sale to other markets. • (New in 2025) Drive preliminary discussions to electrify the rail network in Ukraine to support reduction of logistics-related emissions.	• If stability in energy markets is to return, secure long-term Power Purchase Agreements for renewable energy and continue to increase on-site solar capacity. • Evaluate investment in private renewable energy sources independent of Ukraine's grid. • Conduct feasibility study to assess technology and equipment required for net zero by 2050.	• Investigate the feasibility of carbon capture and storage ("CCS") technologies for emissions-intensive processes. • Collaborate with other industries for infrastructure development related to CCS.

Market demand – green steel

Considers market trends and demand for low-carbon steel and the industry's shift towards decarbonisation, including technological advancements and market implications.

GEOGRAPHIC FOCUS: UKRAINE, EU, GLOBAL DOWNSTREAM CUSTOMER MARKETS

RISKS

- Demand for low-energy steel
- Ferrexpo product strategy

OPPORTUNITIES

- Iron ore pellet sustainability price premiums
- Alternative methods of agglomerating iron ore at low temperatures
- Ferrexpo premium product
- DR pellet market readiness
- Customer emission reductions
- Promotion of DR pellets

POTENTIAL BUSINESS IMPACT:

- Green steel adoption is accelerating due to stricter environmental regulations, rising carbon prices, and shifting customer demand.
- The cost gap between green steel and traditional steel is forecast to narrow, creating opportunities for Ferrexpo to lead in sustainable steel production.
- Ferrexpo can support decarbonisation of the steel industry with premium grade iron ore products.
- Market commentators suggest that renewable electricity costs are expected to decrease as its share of the global energy mix grows.

RISK RATING

Short	Medium	Long
2024-2030	2030-2040	2040+
IEA STEPS		
Low	Low	Medium
IEA NZA		
Medium	High	High

Key: ● Low ● Medium ● High

OPPORTUNITY RATING

Short	Medium	Long
2024-2030	2030-2040	2040+
IEA STEPS		
Low	Medium	Medium
IEA NZA		
Medium	High	High

Key: ● Low ● Medium ● High

POTENTIAL RESILIENCY RESPONSES:

Current	Near-term (2025-2030)	Longer-term (2030+)
• Developing a variety of premium grade iron ore products to support customers and reduce Scope 3 emissions. For example, Ferrexpo is currently developing an ultra high-grade iron ore pellet feed with an iron content exceeding 70% Fe. • Improving DR pellet quality to meet market demand and support sector decarbonisation. • Monitor global steel emissions intensity to shape Ferrexpo's strategy and influence low-energy steel development. • Producing DR pellets for the growing DR-EAF market.	• Develop strategies to mitigate potential near short-term market saturation for DR pellets and greener products and medium-term demand growth. • Establish manufacturing capability for technology required to directly integrate into green steel markets. • Accelerate the integration of technologies to reduce emissions, such as using green hydrogen in pelletising process, to increase competitive advantage.	• Monitor Ferrexpo's variety of premium-grade product carbon emissions intensity compared to competitors to maintain our position as market leaders.

Climate-related risks and opportunities and scenario analysis continued

Circular economy principles

Considers the enhancement of resource efficiency through sustainable product design and practices that aim to minimise waste and maximise resource reuse across Ferrexpo's product market and offerings.

GEOGRAPHIC FOCUS: UKRAINE, EU, TÜRKİYE

RISKS

- Increased recycling rates for scrap iron due to circular economy shift

OPPORTUNITIES

- Increased recycling rates for scrap iron due to circular economy shift
- EU circularity Initiatives

POTENTIAL BUSINESS IMPACT:

- Demand for high-grade direct reduced iron ("DRI") pellets is forecast to rise in the long term as a necessary component in scrap steel recycling, driven by emissions reduction targets and the EU's transition to scrap-EAF and hydrogen-based DRI.
- Ferrexpo's DR pellets align with EU circular economy goals, potentially establishing a position as a preferred supplier for eco-conscious steel producers.
- Scrap availability in the EU may be insufficient for recycled steel targets, supporting opportunities to expand into scrap recycling.

RISK RATING

Short	Medium	Long
2024-2030	2030-2040	2040+
IEA STEPS		
●	●	●
IEA NZA		
●	●	●

Key: ● Low ● Medium ● High

OPPORTUNITY RATING

Short	Medium	Long
2024-2030	2030-2040	2040+
IEA STEPS		
●	●	●
IEA NZA		
●	●	●

Key: ● Low ● Medium ● High

POTENTIAL RESILIENCY RESPONSES:

Current	Near-term (2025-2030)	Longer-term (2030+)
- Ferrexpo's DR pellets support the scrap steel market by providing virgin feedstock necessary for processing recycled steel. - Ferrexpo monitors customers using scrap steel, aligning with growing demand for low-carbon steel. - Ferrexpo subscribes and is partner to CRU Group to stay informed on the evolving steel sector and value chain. (New in 2025) In partnership with the Kharkiv Research Institute of Environmental Problems Science, we are working to improve our water management processes and minimising water withdrawals. Our long-term goal is to achieve a 100% closed-loop water system (currently 98%).	Progress movement towards circular economy principles through strategic decisions on investment, diversification, and the development of new products. Informed by monitoring of global scrap steel recycling rates, including identifying participation with jurisdictions where a shift to a circular economy is increasing.	

Climate-related policy & legislation

Considers the complex landscape of climate-related policies and regulations impacting the mining & steel industry. Key themes include EU climate policies, carbon pricing mechanisms, the evolving standards for emissions reporting and sustainability, and the variation across global policies.

GEOGRAPHIC FOCUS: UKRAINE, UK, AND SWITZERLAND

RISKS

- Increase in ESG reporting
- Policy landscape – geographical variation
- European climate law & policies
- Access to green finance
- EU CBAM

OPPORTUNITIES

- EU CBAM
- Government subsidiaries (Europe)

POTENTIAL BUSINESS IMPACT:

- Carbon pricing, especially under IEA NZE (US\$250t by 2050 in advanced economies), could increase operational costs.
- Export of iron ore pellets to the EU market may be subject to higher prices if Ukraine implement more aggressive carbon pricing mechanisms in response to EU CBAM.
- Stricter reporting obligations and compliance requirements could lead to increased operational expenses and reputational risks.
- Potential for revenue increase from sales of products that support steel decarbonisation, as EU CBAM levels the playing field with non-EU jurisdictions.
- Government subsidies in Europe could offer additional funding avenues and access to capital for decarbonisation initiatives.

RISK RATING

Short	Medium	Long
2024-2030	2030-2040	2040+
IEA STEPS		
Low	Low	Medium
IEA NZA		
Low	Medium	Medium

Key: Low Medium High

OPPORTUNITY RATING

Short	Medium	Long
2024-2030	2030-2040	2040+
IEA STEPS		
Medium	Medium	Medium
IEA NZA		
Medium	Medium	Low

Key: Low Medium High

POTENTIAL RESILIENCY RESPONSES:

Current	Near-term (2025-2030)	Longer-term (2030+)
• Our net zero roadmap and continuous monitoring of global carbon prices enable decisions on diversification and the development of carbon reduction technologies and processes to be directly influenced. • Continuous and regular monitoring of emission reduction performance against our targets enables assessment of exposure and vulnerability to risk. • Ferrexpo continues to collaborate with local and national governments on evolving climate policies.	• Gain funding and support through European government subsidies and funded projects. • Understand the technology, equipment, and offsetting capacity required to transition Ferrexpo to a net zero business by 2050 and develop an internal carbon price to consider short and long-term impacts.	• Promote technology for logistics partners to meet carbon emission regulation depending on the scale, scope and timing of policies introduced. • Monitor Ferrexpo's carbon intensity to stay competitive and identify opportunities to increase revenue. • Evaluate the impact of Ukraine's EU accession on emissions trading and carbon tax implications and green logistics infrastructure. • Track carbon tax scope and boundaries to optimise product positioning and reduce tax burdens.

Climate-related risks and opportunities and scenario analysis continued

Stakeholder & climate consciousness

Considers market trends and demand for low-carbon steel and the industry's shift towards decarbonisation, including technological advancements and market implications.

GEOGRAPHIC FOCUS: UKRAINE (DIRECT OPERATIONS), GLOBAL DOWNSTREAM CUSTOMER MARKETS

RISKS

- Reduced credibility of emissions reduction strategies employing carbon offsets

OPPORTUNITIES

- Transition to a low-carbon economy
- Ferrexpo market & product position
- Proximity to green steel markets

POTENTIAL BUSINESS IMPACT:

- In the short-to-medium term, the demand for green steel remains low with market prices approximately 40% higher than traditional steel. However, there are early signs of stakeholder perceptions shifting more favourably to green steel.
- Opportunity for Ferrexpo to expand more on production of iron ore pellet types that are compatible with green steel to capitalise on evolving market trends.
- Green steel demand is growing in automotive and transport sectors, driven by Lifecycle Assessment ("LCA") regulations in the EU and increasing consumer sustainability awareness.
- Reliance on carbon offsets could risk reputational damage and impact access to capital.

RISK RATING

Short	Medium	Long
2024-2030	2030-2040	2040+
IEA STEPS		
Low	Low	Medium
IEA NZA		
Medium	High	High

Key: Low Medium High

OPPORTUNITY RATING

Short	Medium	Long
2024-2030	2030-2040	2040+
IEA STEPS		
Low	Low	Medium
IEA NZA		
Medium	High	High

Key: Low Medium High

POTENTIAL RESILIENCY RESPONSES:

Current	Near-term (2025-2030)	Longer-term (2030+)
- Ferrexpo maintains flexibility to adapt DR and other pellet production to match customer demand. - Continue to improve DR pellet quality. - Continue transparent reporting and communication through Ferrexpo's Annual Report and Accounts, Responsible Business Report, and Climate Change Report.	- Benchmark Ferrexpo's sustainability and climate performance against competitors, focusing on consumer and investor perceptions. - Enhance climate literacy awareness by providing training for all employees.	- Clearly communicate our climate and sustainability actions. - Be recognised as a leader in sustainability reporting, such as by reporting fully against the Transition Plan Taskforce ("TPT") and taking measurable action.

Consideration of IFRS S2

For the FY25 reporting period, Ferrexpo has further strengthened its integration of core elements of the IFRS S2 requirements into our report, reflecting our ongoing commitment to enhancing climate-related disclosure, improving transparency, and reinforcing our underlying data, systems, and processes. This progress builds on the foundations established through our TCFD and UK Climate-related Financial Disclosure (“CFD”) regulations. Despite the ongoing regional instability and operational challenges created by the ongoing war in Ukraine, we have continued to monitor, review and refresh our climate-related risks and opportunities. These actions demonstrate our sustained commitment towards transparent and responsible climate-related reporting.

GOVERNANCE

Climate change remains a priority on the Board’s agenda and during FY25, we built on the progress made in FY24 by delivering ESG Engagement Sessions to further strengthen the Board’s climate knowledge and skills, which included two dedicated climate-focused sessions:

- Session 1 agenda : UK Sustainability Reporting Standards
- Session 2 agenda : IFRS S1 & S2 standards

Climate change is a standing agenda item at all HSEC Committee and Board meetings. During 2025, the scope, breadth and depth of climate-related topics and reporting broadened, including more detail on Scope 1, 2 and 3 emissions, regular updates on regulatory changes, notably the EU CBAM (and proposals also for Ukraine and other jurisdictions), which were also reported to the Audit Committee during the year. Additionally, the Board received and discussed reports on the Tailings Dam, water usage and consumption, risks including extreme climates and flooding together with development plans to reduce energy consumption through electrification and of owned alternative clean power generation opportunities.

RISK AND OPPORTUNITY ASSESSMENT

In collaboration with our sustainability consultancy partner, Ricardo (a member of WSP), we continue to update our climate-related risk and opportunity register annually to elevate, consolidate, and make informed decisions on key issues. In 2025, we have further built on this work through an internal refresh of the climate-related risks and opportunities.

METRICS AND TARGETS

Despite the ongoing challenges due to the war, in 2024 we developed a feasible, science-based roadmap to achieve net zero emissions by 2050 in collaboration with Ricardo. This plan aligns with our long-term climate objectives while ensuring our strategic priorities can remain focused on prioritising employee welfare, business continuity, and safeguarding critical assets while the war persists. For more details, please see our Climate Change report and the War context section on page 18 of this report.

RESILIENCE

We have updated and refreshed our resilience strategies against material climate-related risks and opportunities. These updates reflect our progress and ensure that our strategic actions remain effective and responsive to evolving challenges. Progress on previously identified resiliency responses, as well as details on newly implemented responses are available in the Risk & Resiliency section on page 85 of this report.

Ferrexpo recognises that achieving compliance in line with IFRS S2 requirements is an evolving process and in FY25, we have continued to strengthen our alignment through several development areas:

- In 2024, for the second consecutive year, the Group’s principal auditor, MHA, independently assured our Scope 1 and Scope 2 emissions. While the Group had planned to repeat this assurance process in 2025 and expand its scope to include Scope 3 emissions, budgetary constraints meant that this work could not proceed. The Group intends to resume independent assurance, including consideration of Scope 3 emissions, when financial circumstances improve.
- We continue to consider the financial quantification of our climate-related risks and opportunities and aim to make this information publicly available by the end of FY26.

RISK MANAGEMENT

Assessing and managing risk

Ferrexpo identifies and assesses risks based on the probability of occurrence and the severity of impact. The Group aims to mitigate risks through a robust governance framework and risk management process, although some of the risks are beyond the Group's control.

RISK IDENTIFICATION

Ferrexpo seeks to proactively manage business risks by identifying them before they emerge. The Group's management are responsible for regularly maintaining and reviewing risk registers for individual business functions.

The Group risk register operates on an enterprise risk management platform ("ERM"), records risks on the basis of the likelihood of occurrence and the level of potential impact on the business. In total, as at the end of December 2025, the Group risk register comprised 45 risks, including risks relating to operating in Ukraine (including the ongoing war and the uncertain and weak judicial system),

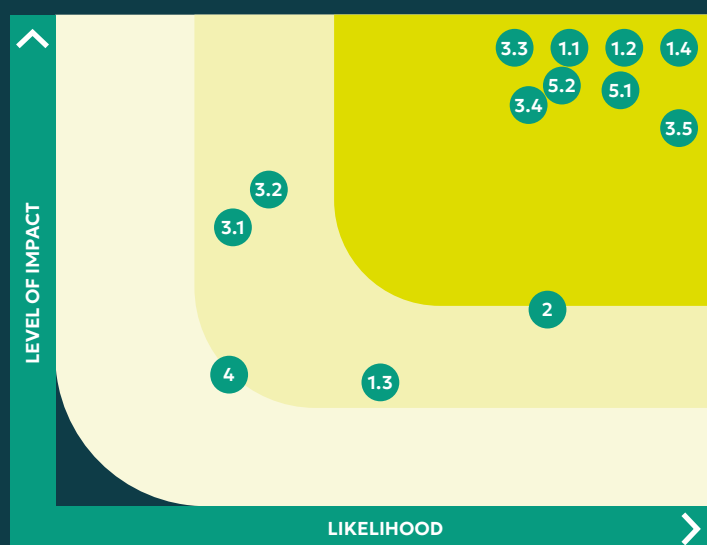
to operating and health and safety risks to broader societal risks such as climate change. Operating entities also maintain their own local risk registers.

The risks managed in the ERM are mapped by the Group's management to Principal Risks, which are specifically reviewed by the Board and presented in this section. Please see the Principal Risks sub-section below for more detailed information.

RISK MITIGATION

It is not possible to eliminate all risks, however, through effective risk identification, risk management, prudent decision-making and other measures allow the Group to better understand individual risks and devise risk mitigation strategies.

Principal risks materiality matrix



The Principal Risks identified in the heat map to the left highlight which risks could have the greatest severity of impact on the Group's operations and viability.

Principal risks

1. **Country**
 - 1.1 War
 - 1.2 Legal, fiscal and political
 - 1.3 Counterparty
 - 1.4 Major shareholder
2. **Market and pricing**
3. **Operating**
 - 3.1 Health and safety
 - 3.2 Production
 - 3.3 Operating costs
 - 3.4 Logistics
 - 3.5 Information technology and cybersecurity
4. **Climate change**
5. **Finance**
 - 5.1 Liquidity (new)
 - 5.2 Taxation (new)

Please see pages 102 to 115 for a detailed review of Principal Risks.

RISK GOVERNANCE FRAMEWORK

Risks are reported to the Finance, Risk Management and Compliance Committee ("FRMCC") on a monthly basis. This is done through the Group-level risk matrix, which plots the likelihood of occurrence against the potential severity of impact and identifies any changes and attributes each risk a potential monetary impact, if possible, should an event occur. The FRMCC reports to the Group's Executive Committee, which in turn reports to the Board, which has the ultimate responsibility for the Group's approach to risk management. The Audit Committee, a sub-committee of the Board, assists the Board in its regular monitoring of the risks faced by the Group.

For more information on the Audit Committee's monitoring and assessment of the effectiveness of the risk management and internal control systems, see the Audit Committee Report.

RISK ASSESSMENT FOR 2025

The risk matrix depicts the Principal Risks identified in the Group risk register. The Principal Risks are detailed below, including a definition, any potential impact, opportunities and risk management and mitigation.

Risk management process



PRINCIPAL RISKS

Understanding risks and our business model

Principal Risks are assessed on the basis of likelihood of occurrence and the potential severity of impact. Each Principal Risk is considered in relation to the Group's strategy.

INTRODUCTION

This section outlines the identified Principal Risks (upside and downside) facing the Group, (in isolation or in combination). Principal Risks are factors that may affect the Group's ability to operate in its normal course of business. These can be internal, in the form of risks derived through the Group's own operations and activities, or external, such as political and market-related risks. The Principal Risks listed herein, are neither exhaustive, nor are they mutually exclusive and therefore one risk may affect another risk.

Principal Risks include, but are not necessarily limited to, those that could result in events or circumstances that might threaten the Group's business model, future performance, solvency or liquidity and reputation.

Risks are inherently unpredictable, and therefore, the risks outlined herein are considered to be the main risks facing the Group. New risks may emerge during the course of the coming year, and existing risks may also increase or decrease in severity of impact and likelihood of occurrence. This is why regular reviews of the Group risk register are conducted throughout the year.

The detail below covers the 2025 year and also the period for year-to-date 2026 up to the publication of this report.

MAJOR THEMES

War in Ukraine

On 24 February 2022, Russia launched a full-scale military invasion of Ukraine. At the date of this report, the ongoing war is now in its fifth year. The war has significantly changed the operating environment for businesses in Ukraine. Please see the Principal Risk 1.1 War and the section Operating during a time of war, for more information.

Health and safety

The health and safety of the workforce is the Group's highest priority and is therefore considered a Principal Risk. The nature of heavy industry results in exposure to safety risks that must be managed and mitigated. This is exacerbated during wartime due to the will of the workforce to work, secure livelihoods, sustain resilient communities and contribute indirectly to the war effort. It is therefore our responsibility to ensure a safe workplace and that we foster the physical and mental wellbeing of the workforce. Please see Principal Risk 3.1 Health and safety and sections Operating during a time of war and People, for more information.

Ukraine country risk

This has been considered a Principal Risk since the Group listed in 2007. Reflecting the perceived higher risk of operating in Ukraine, the Transparency International Corruption Perceptions Index scores Ukraine 36 out of 100, which ranks the country 104 out of 182 countries. The Group has successfully navigated and operated through challenging circumstances for more than 18 years. The war in Ukraine has served to escalate a number of risks relating to Ukraine, including risks relating to the political environment and the independence of the judicial system. Please see the Principal Risk 1.2 Ukraine country risk regarding legal, fiscal and political matters to be considered and Note 30: Commitments, contingencies and legal disputes for more information.

Iron ore market and prices

The Group produces a variety of premium-grade iron ore products that are sold to customers around the world. In terms of supply, the iron ore market is competitive and dominated by four large producers that supply more than 50% of the global addressable market. In terms of demand, China is the dominant consumer, responsible for over two-thirds of global demand during 2025. Prices for iron ore products further decreased in 2025 which has put pressure on margins. Please see the principal risk 2. Market and pricing and the section Market review for more information.

Link to strategic pillars

Each Principal Risk is linked to the aspects of the Group's strategy that could be impacted if an event were to occur.

High-quality production



Low-cost operations



Focus on sustainability



World-class customer network



Disciplined capital allocation



COUNTRY RISK

1.1 War (external risk)

RESPONSIBILITY

Board of Directors including Executive Chair

RISK APPETITE

Low

LINKS TO STRATEGY



CHANGE IN RISK PROFILE

Increasing



It is over four years since the full-scale invasion of Ukraine. Ferrexpo's operations in the Poltava Region have not seen direct combat; however, missile and drone attacks in the region have increased in frequency and intensity, notably damaging power transmission infrastructure which has resulted in interruptions to continuous production. Following intensified attacks from Russia on port infrastructure and civil vessels in the Black Sea in July 2026, the ocean-going logistics route via the Black Sea ports in Ukraine is currently unavailable to the Group.

POTENTIAL IMPACT

The war places unique challenges on the business. Many colleagues are serving in the Armed Forces. Those at work are enduring psychological stress. Damage to energy infrastructure has resulted in periods without production and the need to import electricity at higher tariffs. Supply chain disruptions have limited the variety of suppliers and increased costs for key consumables. Restricted access to logistics routes requires adjustments to the distribution plan and the redirection of sales to other markets.

The business has remained resilient by adapting to the challenges it faces, continuing to produce and export its products.

OPPORTUNITIES

Ferrexpo has built resilience throughout the war to become nimbler and more adaptive to the challenges it faces.

This was evident in 2025 as the business adjusted its production to market dynamics by altering its production mix to concentrates and pellet feeds, and by managing workforce, energy availability and prices, and logistics constraints.

RISK MANAGEMENT AND MITIGATION

The Group has taken measures to ensure the safety and wellbeing of its workforce and to preserve the integrity of its assets. Measures include remote working, timing shift patterns to curfews, constructing bomb shelters and providing protective equipment for employees in the Armed Forces. The Group also supports communities through the Ferrexpo Humanitarian Fund.

At the start of the war, when logistics routes were blocked or disrupted, the Group demonstrated its flexibility and was able to redirect sales to other markets or establish new logistics routes.

 For more information see the section Operating during a time of war.

COUNTRY RISK
CONTINUED

1.2 Legal, fiscal and political (external risk)

RESPONSIBILITY

Board of Directors including Executive Chair

RISK APPETITE

Low

LINKS TO STRATEGY



CHANGE IN RISK PROFILE

Increasing



The Group is subject to various ongoing legal proceedings in Ukraine, many of which relate to circumstances concerning Mr Zhevago and attempts by state agencies to recover funds from a collapsed bank that he was associated with.

POTENTIAL IMPACT

The highest risk cases include litigation with The Deposit Guarantee Fund in relation to subsidiary corporate rights; a Ministry of Justice case to enforce and auction subsidiary corporate rights; a contested sureties claim and related bankruptcy proceedings; and litigation regarding share freezes in Ukrainian subsidiaries. Some other cases include claims related to royalties, ecology, waste products, transfer pricing related tax disputes and potential non-compliance with the foreign currency control regulations.

Due to its association with Mr Zhevago, the Group experiences negative media attention, operating challenges and strained relationships with its stakeholder groups. In addition, VAT refunds have been suspended by the tax authorities in Ukraine because of personal sanctions imposed on Mr Zhevago.

OPPORTUNITIES

Although in the first stage of EU accession negotiations, one of the first clusters to be opened concerns corruption and judicial reform. The European Commission's 2025 enlargement report praised Ukraine's resilience and reform efforts but flagged deep-rooted corruption and slow judicial reforms as major hurdles. As negotiations advance, it is hoped that the political motivation behind many of the legal proceedings can be overcome as the judiciary becomes more independent and transparent.

RISK MANAGEMENT AND MITIGATION

In addition to defending itself in the courts, the Group is in contact with a diverse set of domestic and international stakeholders to explain its positions and interests.

It is important to understand that, as a company quoted on the London Stock Exchange, the Group is subject to high standards of corporate governance, including the UK Corporate Governance Code and UK Market Abuse Regulation.

As the largest Ukrainian business on the London Stock Exchange, Ferrexpo is a uniquely positioned investment opportunity for international investors. These investors, and their stakeholders expect to see their investments protected. This is considered important today and will remain so in the future if international capital is to be attracted to invest in Ukraine's post-war recovery.

 For more information about legal proceedings see Note 30 to the Consolidated Financial Statements.

COUNTRY RISK
CONTINUED1.3
Counterparties
(external risk)

RESPONSIBILITY

Board of Directors including Executive Chair

RISK APPETITE

Low

LINKS TO STRATEGY



CHANGE IN RISK PROFILE

No change



Ukrainian businesses are operating in a challenging war environment. This results in increased risks relating to governance, corruption, monopoly markets, business failure, effective due diligence and counterparties who are identified to have exposure to Russia. Counterparty risks may result in financial harm, logistical and procurement issues. Indirectly, this could result in reputational issues, affecting financial market and customer stakeholders.

POTENTIAL IMPACT

The National Bank of Ukraine has introduced significant currency and capital control restrictions in Ukraine. These measures are affecting the Group in terms of its cross-border payments, which are restricted and may be made only in exceptional cases. The maximum period for settlement of invoices under export and import contracts is 180 days. This creates a challenging environment for the Group and its foreign suppliers. As a result, the Group does have outstanding commitments for equipment ordered and specifically manufactured by international suppliers, but which cannot be brought into the country due to the ongoing war.

OPPORTUNITIES

Despite the challenging environment, efforts continue to strengthen Group's supplier governance through the Code of Conduct for Suppliers.

The procurement function consistently adapts and evolves supply arrangements to ensure continuity of supplies. Diversifying the supplier base and finding alternative suppliers in Ukraine and abroad helps to ensure the steady delivery of consumables and warehouse stocks.

The Group endeavours to support and promote Ukrainian businesses wherever possible in our activities to help build economic resilience during wartime.

RISK MANAGEMENT AND MITIGATION

The Group's Compliance department undertakes regular checks to assess counterparty risk, including registration, corporate structure, shareholders, management, activities, financial position, litigations, related parties, relations with government, risk factors (including environmental) and any relationship with Belarus or Russia, to determine a compliance risk rating.

In 2025, we continued to observe that more of our suppliers have been forced to close their operations due to attacks, restricted access, personnel shortages due to conscription, or deteriorating financial situation. Our procurement teams have learnt to be adaptive and find alternative suppliers when required.

 For more information about the Group's external stakeholders, including suppliers, please see the section Stakeholder Engagement – Section 172.

COUNTRY RISK
CONTINUED

1.4
Major shareholder –
new for 2025
(external risk)

RESPONSIBILITY

Board of Directors including Executive Chair

RISK APPETITE

Low

LINKS TO STRATEGY



CHANGE IN RISK PROFILE

Increasing



The Company's largest shareholder is Fevamotinico S.a.r.l., which as at the date of this report holds 49.3% of the voting rights in Ferrexpo plc. Fevamotinico is indirectly wholly owned by The Minco Trust, a discretionary trust that has three beneficiaries, consisting of Kostiantyn Zhevago and two other family members.

POTENTIAL IMPACT

Many of the ongoing legal proceedings involving Ferrexpo in the Ukrainian courts relate to Mr Zhevago. For example, the Deposit Guarantee Fund proceedings in connection with an alleged embezzlement of funds from Bank F&C, a Ukrainian bank which was not part of the Ferrexpo Group, but which he separately owned, and which was dissolved in 2015.

Due to its association with Mr Zhevago, the Group may also experience negative media attention, operating challenges and strained relationships with its stakeholder groups.

OPPORTUNITIES

The increased attention on ownership and historical matters provides an opportunity for the Group to showcase its operational resilience, reinforce its compliance culture, and highlight the strength of its Board, governance processes, and management independence. Clear communication of these strengths may improve stakeholder trust and support.

The need to demonstrate clear separation between the Group's operations and matters relating to Mr Zhevago offers an opportunity to formalise and communicate robust independence measures, reinforce the autonomy of the Board and management team, and further embed best-practice governance standards.

Proactive media management and enhanced external communications provide an opportunity to shape a more accurate public narrative, highlight the Group's strong operational track record, and strengthen its profile as a responsible operator committed to compliance and transparency.

RISK MANAGEMENT AND MITIGATION

The majority of the Directors of the Company are independent. Mr Zhevago has not been a Director or officer of the Group since December 2022.

The Minco Trust and Fevamotinico entered into a Relationship Agreement with the Company before the Initial Public Offering in 2007 to ensure that the Group is capable of carrying on its business independently, that transactions and arrangements between the Group, Fevamotinico, The Minco Trust and Mr Zhevago (and each of their associates) are at arm's length and on normal commercial terms.

 For more information about see Note 30 to the Consolidated Financial Statements.

MARKET AND PRICING RISK

2 Market and pricing (external risk)

RESPONSIBILITY

Board of Directors including Acting Chief Marketing Officer

RISK APPETITE

Low

LINKS TO STRATEGY**CHANGE IN RISK PROFILE**

No change



Iron ore prices depend on global supply and demand factors, with adjustments for the iron ore product type, quality, specification and cost of delivery.

POTENTIAL IMPACT

As a producer of premium iron ore products, the Group typically achieves higher prices for its products. However, during 2025, the prices for the benchmark premium 65% Fe price fell 7% and the “Atlantic” blast furnace premium by 24% on average for the year.

Weak demand in Europe for iron ore pellets resulted in a pivot to production and sales of concentrates to China, which although premium products, are lower priced than pellets.

OPPORTUNITIES

To stay relevant, Ferrexpo has continually improved the quality of its existing products and developed new products to meet market demands. Today, the Group stands out as a niche producer and supplier of a variety of premium grade products, capable of capitalising from demand arbitrage, especially from markets in Europe and MENA where it has a geographical proximity advantage.

Ferrexpo is geographically well positioned to meet medium-term demand growth for premium iron ore products in Europe and MENA. Since the Ukrainian Black Sea ports opened in late 2023, the Group has resumed its seaborne exports via Ukrainian ports and offers multimodal delivery options by rail, barge or sea for European customers.

RISK MANAGEMENT AND MITIGATION

The strategic decisions and capital investments made in late 2024 and continued into 2025 enabled the Group to diversify its product and sales mix and optimise margins in a declining price environment.

The development of new ultra-premium grade products for sale to existing and new customers in 2026 is expected to further mitigate the over-supply of medium to low grade iron ore from traditional markets.

During 2025, the marketing team met with customers around the world and attended major industry events. This helped to broaden sales to more customers, including new steel mills, in more geographies than at any time since the full-scale invasion of Ukraine.

The market outlook for iron ore prices, however, remains uncertain.

 For more information see the Market Review.

OPERATING RISKS
CONTINUED

3.1 Health and safety (internal and external risk)

RESPONSIBILITY

Board of Directors including FPM General Director and Chief Human Resources Officer

RISK APPETITE

Low

LINKS TO STRATEGY



CHANGE IN RISK PROFILE

Decreasing



The health, safety and wellbeing of the workforce is the Group's priority, particularly during a time of war. Risks arise in mining and processing operations from hazardous activities such as drilling, blasting and excavation, as well as from using large-scale equipment and machinery such as haul trucks, excavators and bulldozers.

POTENTIAL IMPACT

Training, maintenance and safety protocols are essential. It is also important that risk assessments, workplace monitoring and the recording of safety metrics are undertaken frequently, to inform safety enhancements and improvements.

Health and safety risks at the most extreme include serious injuries or fatalities. Such events can result in financial claims for personal injury, penalties by regulators, operational disruptions and damaged equipment. This can reflect poorly on a company, leading to reputational issues.

OPPORTUNITIES

A strong emphasis on safety, in a time of heightened external risk of war, has created an opportunity for the Group to reinforce its position as a safety-first organisation, driving leadership accountability, empowering employees, and fostering a culture where safe behaviours are consistently prioritised.

The Group is constantly looking for ways to improve its safety performance. Before the full-scale invasion the Group commenced the adoption of technologies such as autonomous equipment, which reduces human presence in hazardous environments, however this programme has paused due to the need to jam GPS signals.

Assessing comprehensive local risk registers, monitoring safety indicators, and enhancing training programmes for operators helps to reduce the frequency of safety-related incidents. These improvements can lead to a safer working environment and improved compliance with safety standards, as well as efficiencies and lower costs.

RISK MANAGEMENT AND MITIGATION

Health and safety is the first agenda item at every Executive Committee meeting and a fixed item at every Board meeting.

The Group takes a proactive approach to health and safety by a thorough investigation and understanding of the root causes of safety incidents, risk assessments and maintaining robust safety protocols.

Regular safety inspections, hazard reports, and high-visibility safety tours by senior managers ensure continuous monitoring of the working environment.

Additionally, the use of leading and lagging indicators such as the number of employees completing safety training can reduce the risk of future incidents. The Group places importance on learning from past events to improve safety measures, and tracks performance through lagging indicators such as injury rates and fatalities.

 For more information see the Operational Review and Health and Safety section in the Responsible business review.

OPERATING RISKS
CONTINUED3.2
Production
(internal and
external risk)

RESPONSIBILITY

Board of Directors including FPM General Director

RISK APPETITE

Low

LINKS TO STRATEGY



CHANGE IN RISK PROFILE

No change



The production and logistics cycle is complex and requires the coordination of multiple activities. Planning is critical to ensure a smooth process, especially as factors such as equipment failures and repairs, weather disruptions, workforce availability could interrupt operations.

POTENTIAL IMPACT

Unforeseen operational risks such as repairs or replacing damaged equipment and machinery can increase costs due to lost or delayed production, so too can deferring repairs due to liquidity constraints. In extreme cases, events such as a pit wall failure or a tailings dam breach can result in significant financial losses and reputational damage.

External factors such as the ongoing war have the potential to directly and indirectly affect operations and production, due to workforce challenges, supply chain disruptions, restrictions on certain operational practices, and the risk of damage to assets caused by missile and drone attacks. Towards the end of 2025, attacks on local power infrastructure resulted in power supply interruptions and production stoppages.

OPPORTUNITIES

Managing the heightened external risks associated with the war have presented opportunities for the Group to effect operational improvements, strengthen emergency response, workforce planning and supply-chain flexibility. This focus has served to mitigate operating risks through improved operational planning, modernisation of equipment, and enhanced risk monitoring, allowing the Group to adapt quickly to changing conditions and minimise disruption to production.

The Group's ability to adapt to the current challenges, including managing logistics and labour shortages, allows for continued production, with potential to increase output when feasible.

The supply of power is outside the Group's control, however some small and proactive efforts to diversify energy sources through solar power have helped, and enhanced workforce capabilities by expanding recruitment and training programmes are also positive steps towards risk reduction.

RISK MANAGEMENT AND MITIGATION

An experienced management team, supported by a robust risk management framework, monitors and manages risks through frequent assessments.

The Group also invests in maintaining and upgrading equipment, stocking replacement parts, and progressing plans to modernise and electrify the mining fleet. This can be hampered however by the ongoing war and reduced cash flow.

The Group actively manages skills availability by expanding recruitment and training efforts, helping to address the challenges posed by conscription and emigration due to the war.

Despite these efforts, the risk of certain factors, especially those related to external geopolitical events, remain difficult to fully eliminate.

 For more information see the Operational Review.

OPERATING RISKS
CONTINUED

3.3 Operating costs (internal and external risk)

RESPONSIBILITY

Board of Directors including FPM General Director and Chief Financial Officer

RISK APPETITE

Low

LINKS TO STRATEGY



CHANGE IN RISK PROFILE

Increasing



The Group's operations are complex and rely on large-scale technologies and equipment that are energy-intensive and require large quantities of chemical and mechanical consumables.

POTENTIAL IMPACT

The costs of these are influenced by market factors beyond the Group's control, such as energy availability and tariffs. Additionally, the Group faces broader inflationary pressures, affecting everything from equipment and maintenance to salaries. The war in Ukraine has exacerbated these issues by preventing the Group from operating at its full capacity, leading to significantly higher energy costs, higher unit costs in general, and lower production.

The inability to source alternatives due to war restrictions and monopoly markets has resulted in significant cost pressures, predominantly for energy, that are outside of the Group's control. This has continued into 2025.

OPPORTUNITIES

Energy and fuel represent 50% of production costs, which is why the Group is focused on diversifying and substituting its energy sources. Progress is being made, for example with sunflower husks substituting natural gas in the pelletiser and the commissioning of a 5MW solar farm.

Longer term, the Group is researching opportunities to replace natural gas with bio-ethanol fuels, and through the "Green Mine Initiative" it is looking at opportunities to improve efficiencies and lower costs by electrifying the mining fleet and using trolley assist technology.

The greatest near-term opportunity to lower operating costs is an end to the war. However, the Group must continue to plan on the basis that the war continues.

RISK MANAGEMENT AND MITIGATION

The Group is constantly looking for ways to optimise energy consumption, develop alternatives, and strengthen its supply chain resilience. In wartime conditions, we have implemented a special system that allows additional equipment to be operated at night to accumulate concentrate. This ensures uninterrupted operations the following day and helps avoid production losses due to electricity shortages during daytime hours.

The Group works with peers and industry associations to lobby against price increases from state-owned suppliers. This approach has been successful on occasion, for example in relation to domestic electricity tariff proposals for large industrial enterprises.

 For more information see the Financial Review and Operational Review.

OPERATING RISKS CONTINUED

3.4 Logistics (external risk)

RESPONSIBILITY

Board of Directors including Acting Chief Marketing Officer

RISK APPETITE

Low

LINKS TO STRATEGY



CHANGE IN RISK PROFILE

Increasing

The Group is dependent on a reliable and efficient logistics network to deliver its products to its global customer base. Disruptions to logistics capacity and availability can therefore affect the Group's ability to export and generate revenue.

POTENTIAL IMPACT

The Group uses a variety of logistics solutions, including rail, river barge and seaborne channels.

Disruption to logistics networks can lead to delays, leading to increased costs. In extreme cases, this could result in a temporary suspension of shipments and delays in supplying customers, which could have a negative reputational impact and jeopardise business relationships with key customers.

Given the bulk nature of the Group's products, it can be difficult to stockpile and warehouse products at short notice and find alternative transport routes. This can affect cash flow and the ability to maintain a stable financial position.

Following intensified attacks from Russia on port infrastructure and civilian vessels in the Black Sea in July 2026, the ocean-going logistics route via the Black Sea ports in Ukraine is currently unavailable to the Group, while shipowners have also withdrawn from performing existing voyages. This is likely to lead to vessel supply constraints and elevated freight rates, once this logistics route becomes available again.

OPPORTUNITIES

In late 2023, access to Ukrainian Black Sea ports was restored, allowing the Group to expand seaborne sales in 2024 and 2025. However, there is no guarantee that Ukrainian Black Sea ports will be permanently available while the war continues. As at the date of approval of this report, it is uncertain when the logistics route via the Black Sea ports in Ukraine will be available again.

The Group's subsidiary, DDSG, also supports logistics resilience by operating barging services that provide an additional, flexible export route and reduce reliance on rail and seaborne capacity alone.

Over the years, the Group has also made significant investments in logistics infrastructure, including a fleet of over 3,000 rail wagons and a 49.9% stake in a port facility, to enable greater control flexibility by reducing dependency on third-party providers and ultimately improving customer service.

RISK MANAGEMENT AND MITIGATION

The Group has proactively worked to mitigate logistics risks by investing in its own rail wagons, port facilities, and inland waterway operations. By owning a stake in key infrastructure such as a share in a Ukrainian Black Sea terminal, the Group has enhanced its ability to bypass potential disruptions and increase its flexibility.

The Sales and Marketing team work closely with bulk vessel providers, keeping them informed of Black Sea developments. Encouragingly, more shipping companies returned to the Black Sea in 2025 and early 2026, which has overall had a positive effect on freight rates and insurance premiums.

The Group continues to monitor the situation closely and take steps to ensure that seaborne shipping activities are carried out again, if needed through alternative routes, with minimal disruption and safety risks, albeit probably at a higher cost to the Group.

 For more information see the Operational Review.

OPERATING RISKS
CONTINUED

3.5 Information technology and cybersecurity (internal and external risk)

RESPONSIBILITY

Board of Directors including Executive Chair

RISK APPETITE

Low

LINKS TO STRATEGY



CHANGE IN RISK PROFILE

Increasing



As the Group increasingly relies on digital technology, IT security is a critical concern. As the sophistication of cyberattacks grows, the risks to IT systems have increased.

POTENTIAL IMPACT

Cyberattacks may compromise the availability and confidentiality of infrastructure and data. The ongoing war has heightened threats and has led to an increase in cyberattacks and a shortage of skilled IT personnel due to conscription.

A successful cyberattack could disrupt production, compromise sensitive data, and damage the Group's ability to operate. The Group could face prolonged operational disruptions, financial losses and reputational damage.

Due to cost cutting measures, IT infrastructure has been exposed to threats such as outdated components, a lack of maintenance, and licence issues. Not all of the Group locations are equipped with adequate power backups and can be exposed to electricity blackouts.

OPPORTUNITIES

The situation presents opportunities to strengthen the Group's cybersecurity posture. The ongoing development of IT infrastructure and regular upgrades to systems provide a chance to enhance resilience and reduce vulnerabilities.

Additionally, the heightened focus on cybersecurity can foster a culture of vigilance, leading to better preparedness for evolving threats.

The Group's adaptation to the changing landscape of cybersecurity may also create opportunities for collaboration and innovation in securing its digital assets.

Ongoing power shortages have prompted the Group to consolidate its IT infrastructure and relocate backup sites outside of Ukraine.

RISK MANAGEMENT AND MITIGATION

Regular IT reviews and employee training ensure the workforce is equipped to handle new threats.

Dynamic anti-malware policies allow for quick adaptation to emerging risks, and cross-backup infrastructure strengthens disaster recovery capabilities. Efforts to upgrade global network connectivity and enhance IT systems, such as deploying power control systems and upgrading IT infrastructure in bomb shelters, help reduce vulnerability.

The shortage of IT personnel has been addressed by deployment of automation packages, including cybersecurity control suites, use of third-party security audits, deployment of new off-site backup policies for critical production and mining data.

Reduced liquidity has meant the need to seek more affordable IT solutions. The redefined backup policy and disaster recovery plan, aims to strengthen the Group's confidence in the event of any incident.

 For more information see the
Operational Review.

CLIMATE CHANGE RISK

4 Climate change (internal and external risk)

RESPONSIBILITY

Board of Directors including Executive Chair

RISK APPETITE

Low

LINKS TO STRATEGY**CHANGE IN RISK PROFILE**

No change



Climate change poses physical and transition risks as the world shifts to a low-emissions future. These include environmental threats like extreme weather events, and societal shifts that could render existing technologies obsolete.

POTENTIAL IMPACT

Ferrexpo faces risks in areas such as low-carbon iron ore and steelmaking, shipping regulations, and carbon pricing, with increasing stakeholder expectations of decarbonisation. Regulatory climate change reporting is also increasing, which requires increased time and costs.

The potential impact of climate change on Ferrexpo's operations could result in financial, operational, and reputational risks and challenges.

As stakeholders expect more from companies in terms of decarbonisation efforts, failure to meet these expectations could lead to additional scrutiny and demands for faster or more extensive action.

OPPORTUNITIES

Opportunities to address climate change include reducing the Group's own environmental footprint (Scope 1 emissions) and providing customers with products that reduce emissions in steelmaking (Scope 3 emissions).

Ferrexpo has already made progress in reducing its own emissions and by setting intermediate emissions targets for 2030 and a pathway to achieve net zero by 2050, as detailed in the December 2024 Climate Change Report.

The Group's premium grade products help improve efficiencies and lower emissions in steel-making, for example, its DR pellets, when used in a direct reduced iron – electric arc furnace, result in a 37% reduction in carbon emissions compared to the more traditional sinter-operated blast furnace route.

RISK MANAGEMENT AND MITIGATION

Ferrexpo is proactively working on reducing its emissions by focusing on the activities with the greatest environmental impact.

The Company's climate change strategy, detailed in its Climate Change Report, outlines a series of initiatives, including increasing the production of DR pellets, investing in cleaner energy sources, and exploring new technologies to lower operational emissions.

The Group has also established a net zero goal for 2050 and is continuing to study ways to reduce emissions further.

However, uncertainties stemming from the ongoing war and its potential impact on operations mean that some targets may need to be reassessed.

Continuous monitoring, transparent communication of progress, and adapting strategies to emerging conditions will be essential for managing this risk effectively.

 For more information see the Responsible Business Review and TCFD section.

FINANCE RISK

5.1 Liquidity – new for 2025 (external risk)

RESPONSIBILITY

Board of Directors including Chief Financial Officer

RISK APPETITE

Low

LINKS TO STRATEGY



CHANGE IN RISK PROFILE

Increasing



Following the personal sanctions imposed on Mr Zhevago (not on the Group or its subsidiaries) by the Ukrainian Government early in 2025, the tax authorities suspended VAT refunds to the Group's Ukrainian subsidiaries.

POTENTIAL IMPACT

In response, to preserve cash, the Group downscaled its operations and cut costs due to foreseeable lower cash flow generation resulting in a decrease in available liquidity.

At the end of December 2025, the total non-refunded VAT for 2025 was US\$61 million.

The broader impacts of war included lower production rates and inability to access debt markets (which is also in part due to KYC issues relating to Mr Zhevago).

OPPORTUNITIES

The Group calculates that had it been able to continue production levels realised in the first quarter of 2025 for the remainder of the year, rather than being forced to downscale production, it would have added an additional US\$180 million in socio-economic contributions in Ukraine, comprising salary payments, taxes and royalties, and procurement of domestic products and services.

RISK MANAGEMENT AND MITIGATION

Since listing in 2007, the Group has managed to control its liquidity throughout various commodity cycles.

The challenges of 2025, however, are unprecedented. The Group actively implemented a deep cost-cutting programme, including placing portions of its workforce on furlough or reduced working hours, reducing non-essential capital expenditures and vital humanitarian and CSR spending.

In addition, to strengthen the Group's working capital position and fund its ongoing operations, the Board intends to raise gross proceeds of approximately US\$100 million through a conditional placing of Ordinary Shares. The capital raise is required to support the Group's ability to continue as a going concern. See Note 2 Basis of preparation for further details.

The Group has filed several VAT-related claims in Ukrainian courts with regards to monthly VAT claims not refunded by the tax authorities in Ukraine. These legal proceedings before the different court instances in Ukraine remain ongoing and both favourable and unfavourable decisions were received by the Group's subsidiaries in the various proceedings before the various courts, including the Supreme Court of Ukraine.

In addition to the ongoing legal proceedings, representations to the relevant Ukrainian authorities to restore VAT refunds are ongoing, in addition to efforts to build support from other domestic and international stakeholders.

 For more information see the Financial Review and Note 20 to the Consolidated Financial Statements: Other taxes recoverable and payable.

FINANCE RISK
CONTINUED5.2
Taxation
(external risk)

RESPONSIBILITY

Board of Directors including Chief Financial Officer

RISK APPETITE

Low

LINKS TO STRATEGY



CHANGE IN RISK PROFILE

Increasing



The Group pays corporate profit tax in a number of jurisdictions. The effective tax rate and, as a consequence, the taxes to be paid in the different jurisdictions are subject to various factors outside of the Group's control, including iron ore prices on global market and foreign exchange rate changes.

POTENTIAL IMPACT

Following the completion of two transfer pricing audits in Ukraine in 2023, the Group's two major subsidiaries received total claims of UAH2,421 million (US\$57 million as at 31 December 2025). In addition, a Ukrainian subsidiary of the Group received a claim in relation to allegedly underpaid royalties for UAH1,233 million (US\$29 million as at 31 December 2025).

Any potential cash outflows in relation to these claims, if confirmed by the relevant claims in Ukraine, would have a significant effect on the Group's available cash balance and ability to continue as a going concern. See Note 2 Basis of preparation for further details.

OPPORTUNITIES

Despite the two significant transfer pricing claims received, the Group remains of the opinion that the terms of the cross-border transactions between the subsidiaries of the Group comply with the legislation applicable in the jurisdictions in which it operates.

In terms of the claim in relation to allegedly underpaid royalties, the Group has compelling arguments to defend its position in the courts.

RISK MANAGEMENT AND MITIGATION

The claims received are currently being heard by the courts in Ukraine and no decision has been made by a court of instance as at the date of the approval of the consolidated financial statements that would make the claims a legal obligation.

The Group will continue to defend, in the Ukrainian courts, the methodology applied to determine prices between its subsidiaries and to calculate royalties. However, there is a risk that the independence of the judicial system in Ukraine, and its immunity from economic and political influence, may not be fully upheld.

 For more information see Notes 2 and 30 of the Consolidated Financial Statements.

VIABILITY STATEMENT

Protecting the Company's business for the benefit of all our stakeholders in the environment of suspended VAT refunds in Ukraine with significant impact on the Group's current operation remains our top priority.

The Board monitors the Group's risk management and internal control systems on an ongoing basis and confirms that during the year it carried out a robust assessment of the principal and emerging risks facing the Group, their potential impact, and the risk mitigating factors and management strategies in place, as described on pages 102 to 115.

TIME HORIZONS

The long-term prospect of the Group's business is being reviewed by the Board and remains consistent with Ferrexpo's assumption regarding the life-of-mine. For the purposes of assessing the Group's viability, the Board has decided to take a five-year view of Ferrexpo business, as it has done in the past given the long life nature of its mining assets, including the period required to invest in such assets and taking into account the cash flows generated by those assets, as well as the cyclical nature of the commodities industry. However, given the difficult situation the Group currently finds itself in, the Board's primary focus is on a shorter-term 12-to-18-months horizon for the Group's going concern assessment due to the ongoing war and material uncertainties resulting from operating in Ukraine, including several material legal actions against the Group.

FACTORS ASSOCIATED WITH THE WAR IN UKRAINE

Specific attention has been applied in the Group's approach to assessing its viability due to the ongoing war in Ukraine because it represents a significant risk to the Group's ability to continue as a going concern. Since the full-scale Russian invasion in February 2022, the Group has demonstrated resilience that has enabled it to operate with a high degree of flexibility, and to adapt its operations to changing circumstances, albeit at certain times with significantly reduced capacity. During the financial year 2025, the continued Russian attacks on the Ukrainian energy infrastructure affected the supply of electricity to the Group's operations. Following attacks towards the end of 2025, the supply of power was again severely interrupted, resulting in higher prices for the electricity, and production having to be temporarily suspended, this negatively affected the Group's ability to operate its production line and, as a consequence, its profitability and cash flow generation. Existing and emerging risks associated with the war are closely monitored by the Executive Committee. As part of this process, appropriate risk mitigations are discussed, and the results are regularly reported to the Group's Board of Directors.

Risks that have been identified due to the war include risks to the health, safety and wellbeing of the Group's workforce, the Group's ability to operate its assets efficiently in the current challenging circumstances, access to logistics routes to export finished products and the supply of key consumables. Following intensified attacks from Russia on port infrastructure and civil vessels in the Black Sea in July 2026, the logistics route via the ocean-going Black Sea ports in Ukraine is currently unavailable to the Group. As at the date of approval of this report, it is uncertain when the logistics route via the Black Sea ports in Ukraine will be available again. For more information, please see the Principal Risks section on pages 102 to 115.

FACTORS ASSOCIATED WITH OPERATING IN UKRAINE

The Group is also exposed to other risks associated with operating in Ukraine which is exacerbated by the circumstances surrounding Mr Zhevago. These include political, legal and fiscal uncertainties which represent other material uncertainties at the time of the approval of these Consolidated Financial Statements. These risks are detailed in the Ukraine country risk on pages 103 to 106.

As disclosed in Note 30 Commitments, contingencies and legal disputes to the Consolidated Financial Statements, the association of Ferrexpo to Mr Zhevago has led to an escalation of legal actions against the Group. The risks related to these legal actions are further exacerbated by the political and judicial environment, which could have a significant adverse impact on the Group's business activities, reputation and viability.

Various legal proceedings are ongoing in Ukrainian courts. The cases with the highest risk include the claim on FPM to recover UAH4,727 million (US\$112 million as at 31 December 2025) for contested sureties, the opening of bankruptcy proceedings against Ferrexpo Poltava Mining ("FPM"), which is in relation to the aforementioned contested sureties' claim, litigation with The Deposit Guarantee Fund in relation to corporate rights of three mining entities; a case brought by the Ministry of Justice to enforce and auction corporate rights in the Group's three mining entities in Ukraine and litigation regarding share freezes in all Ukrainian subsidiaries related to the investigation in connection with Bank F&C. Following personal sanctions imposed on Mr Zhevago in February 2025, the Ukrainian subsidiaries of the Group have not been receiving VAT refunds since March 2025.

Although, the sanctions imposed on Mr Zhevago have not been imposed on any member of the Group, the personal sanctions on Mr Zhevago have severe implications for the Group due to suspension of VAT refunds and, as a consequence, on its profitability and cash flow generation, which could have an impact on the Group's ability to continue as a going concern and on its viability. As at 31 December 2025, VAT refunds in the aggregate amount of UAH2,599 million (US\$61 million at this date) were suspended by the State Tax Service ("STS") and this balance increased to UAH3,767 million as at 30 June 2026 (US\$84 million at this date), impacting the Group's operation and, as a consequence, its cash flow generation and profitability.

FACTORS ASSOCIATED WITH CLIMATE CHANGE

Although no new Climate Change Report was published in 2025, the Group has continued to consider a range of physical and transition risks, as outlined on page 113 of this report. The Group's second Climate Change Report, published in December 2024, determined the following main climate risks facing the Group: energy consumption and emissions, the market demand for green steel, circular economy principles, climate related policy and legislation, stakeholder and climate consciousness and physical climate. A range of additional transition and physical risks were considered as part of this review. The Board understands that further reductions in carbon emissions are required in the coming years, but, given the difficult situation the Group currently finds itself in, there is no certainty that required investments can be made in the near future to fully achieve the future emission targets. The Group remain committed to the carbon emission targets and goals in the long term, but is prioritising employee safety and welfare, and business continuity during these challenging times. The Board continues to monitor the Group's carbon emissions targets, which may need to be adjusted in the future, if the war continues.

BUSINESS PLANNING PROCESS

Due to the suspension of VAT refunds in Ukraine since March 2025, the Group had to revise its business activities in 2025 in order to preserve its available liquidity. As at the date of the approval of the Group's 2025 Consolidated Financial Statements, the net VAT receivable balance in Ukraine totalled US\$88 million, of which US\$84 million was due for refund.

The ongoing suspension of VAT refunds in Ukraine had a significant impact on the Group's available liquidity during the financial year 2025 and will continue to do so in the coming years until VAT refunds resume. As a result, current and future capital investments are reduced to a minimum, with a focus on required and affordable sustaining capital expenditure.

The current circumstances in which the Group operates requires a high degree of flexibility and agility in the business planning process, as conditions can change very rapidly. Prior to the full-scale invasion, to maintain a clear strategic direction (see pages 32 and 33), the Group management team regularly assessed the risks faced by the Group against the ability of the Group to conduct business in accordance with its intended business model (see page 28). Since the beginning of the war, this review is conducted even more regularly to maintain a clear understanding of the war-related risks to which the Group is exposed and how these factors might influence the future business activities.

MODELLING PROCESS

As a normal course of business, the Group maintains a detailed business financial model. The model considers potential impacts due to the war and ongoing legal actions against the Group in Ukraine, in addition to traditional factors such as demand and the prices for the Group's products, and operational factors that influence demand and product quality as determined by the Group's sales plan. Considering the current circumstances in which the Group operates, the Group's production and sales plan are optimised and adjusted as necessary to manage the Group's working capital, including outstanding unrefunded VAT balances, and to maintain a minimum net cash position. As mentioned above, the Group's subsidiaries in Ukraine have not received VAT refunds since March 2025 and, at present, it is reasonable to assume that this will continue to be the case until the sanctions against Mr Zhevago are lifted. This fact is reflected in the Group's current financial long-term model, which was adjusted to reflect the lower expected cash flow generation impacting the Group's available liquidity throughout the period of the going concern assessment. The base case assumes a pellet and commercial concentrate production volume of approximately 40% and 64% of the pre-war level for the financial years 2026 and 2027, respectively, and an expected start of the recovery to the pre-war level in the second half of 2028. The suspension of VAT refunds also led to a further delay of the expected ramp-up to almost the pre-war level.

During the ongoing war, the Group's operations are also affected by the potential disruption and availability of key consumables, such as electricity, natural gas and diesel fuel, in addition to critical equipment supplies and logistics routes. As an example, the intensity and frequency of missile and drone attacks on Ukraine's energy, transport, and port infrastructure in late 2025 and early 2026 led to power cuts and a sharp rise in electricity prices, which had a negative impact on the Group's operations.

The Group operates in a highly volatile industry and Group management has also considered external and internal analysis of the short- and longer-term supply and demand dynamics on the international market for iron ore products, as well as more specific local supply and demand balances affecting its major customers to assess the expected pricing of the Group's iron ore products for the period covered by the Group's long-term model.

Despite the challenging environment in which the Group has operated in recent years, the Group managed to maintain an available cash balance of over US\$100 million at the end of the previous financial years. Due to the suspension of VAT refunds in Ukraine, the situation continued to deteriorate and the Group's available cash reserves declined steadily during the financial year 2025, totalling US\$58 million as at 31 December 2025. As at the date of the approval of this report, the Group has an available cash balance of approximately US\$26 million. Despite the fact that the Group remains focused on managing its costs and optimising its sales mix, management expects the Group's liquidity to be sufficient until at least the mid-September 2026. It is therefore the Directors' intention to raise proceeds of approximately US\$100 million by way of a conditional placing of Ordinary Shares to support the Group's working capital position and fund its ongoing operations. This planned fundraise is expected to be completed in late September 2026 and will provide the necessary immediate recapitalisation of the Group to deal with the current challenging environment.

STRESS TESTING

In determining the viability of the business, the Directors have stress tested the individual and combinations of risks that could materially affect the future viability of the business. At the present time, the primary risks the Group is exposed to are deemed to be the war and legal actions in Ukraine against the Group due to its association Mr Zhevago (see Ukraine country risks on pages 103 to 106).

Ferrexpo's business model also faces risks relating to the iron ore prices, pellet premiums, availability of key consumables and their prices together with the general cost inflation in Ukraine, which are all factors that impact Group's profitability and cash flow generation.

As highlighted, contingent on the war ending, the Group is currently expected to start the recovery to the pre-war level in 2028, with pre-war levels achieved in 2029. A summary of the impacts of operating during a time of war, including specific risk management and mitigations, are provided on pages 18 to 20.

The Group's financial long-term model reflects the below full capacity production and the dependency of future sales volumes on the currently possible production, also against the backdrop of the impact of the suspended VAT refunds and the Group's intention to manage its working capital in such a way as to preserve the available liquidity. In addition, as was observed in late 2025 and early 2026, power cuts and a sharp rise in electricity prices in future periods will have an impact on the Group's profitability and cash flow generation. There might be further impacts on the Group's forecast profitability and cash flow generation, if the currently unavailable logistics route via the ocean-going Black Sea ports in Ukraine is not available to the Group as currently expected by management and as reflected in the Group's current long-term model.

Assuming no mitigating actions, the Group's financial modelling indicates the following sensitivities:

- A 10% reduction in the received price would reduce the Group's Underlying EBITDA by US\$19 million in 2026 and US\$72 million in 2027.
- A general 10% increase in the cost of production would decrease the Group's Underlying EBITDA by US\$11 million in 2026 and US\$42 million in 2027.
- A 10% decrease in production volumes and associated 5% increase in production costs, would decrease Underlying EBITDA by US\$14 million in 2026 and US\$49 million in 2027.

Sensitivities beyond 2027 will depend on production and sales volumes and costs, realised prices and other unknown macroeconomic factors.

Due to the remaining material uncertainty beyond the Group's control, the Group has also conducted more severe stress tests, incorporating additional factors and sensitivities.

VIABILITY STATEMENT CONTINUED

However, these scenarios are considered less likely due to a natural hedge between the price of iron ore and key consumables. Considering the relatively tight balances of available cash under the base case, the available cash balance is expected to be depleted during the second quarter of 2027, when combining all effects from reasonable adverse changes (stress test). It is, however, management's position that such a combination is unlikely to happen as a result of the historical natural hedge between iron ore prices and key consumables.

As mentioned above, there are several ongoing legal actions against the Group in Ukraine, which, individually or collectively, could have an effect on the Group's ability to continue as a going concern and, as a consequence, also on its viability. See also Note 2 Basis of preparation and Note 30 Commitments, contingencies and legal disputes to the Consolidated Financial Statements for further details.

More generally, risk management and mitigations may include (but not limited to): a reduction or cancellation of discretionary expenditure such as non-essential capital investment and repairs and maintenance, or other operating costs, adjusting capital allocation, reducing working capital requirements, altering mining schedules and accessing additional funding. However, considering the Group's focus on managing and cutting its operating and capital expenditures as well as the significant reduction of the Group's operation in the financial long-term model, the availability of mitigating actions reduced significantly.

The Directors take comfort in both the Group's historical cash generation ability, the resilience and high degree of flexibility and agility in the business planning process demonstrated since the beginning of the war. As a result, of the Group's flexibility and resilience, the Group's available liquidity remained relatively stable at over US\$100 million at the end of the previous financial years, but declined to US\$58m as at 31 December 2025, primarily due to the suspended VAT refunds as a result of the personal sanctions imposed on Mr Zhevago. As at the date of the approval of the Group's 2025 Consolidated Financial Statements, the Group is in a net cash position of approximately US\$18 million and has an available cash balance of approximately US\$26 million, before any proceeds from the planned capital increase expected to be completed in late September 2026.

Based on the assessment performed, the Directors have a reasonable expectation that the Group will be able to continue to operate and meet its liabilities as they fall due over the period of their assessment. This is, however, dependent on significant factors that are outside of the Group's control, and the Directors have assumed the following when assessing the Group's resilience to the risks of war in Ukraine and its viability:

- its available cash and cash equivalents;
- its cash flow projections, adjusted for the effects caused by the ongoing war in Ukraine and potential absence of VAT refunds, for the period of management's going concern assessment covering a period of 18 months from the date of the approval of these consolidated financial statements;
- the feasibility and effectiveness of all available mitigating actions within management's control for identified uncertainties;
- the legal merits in terms of the ongoing legal dispute in Ukraine and potential future actions available to protect the interests of the Group in case of a negative decision from the Supreme Court in respect of the contested sureties claim;
- the suspension of VAT refunds, which might not resume as expected by management;
- the logistics route via the Black Sea ports in Ukraine, which is currently unavailable and which may not be available to the Group as currently expected by management and as reflected in the Group's current long-term model;
- the risk of nationalisation of 49.5% of FPM shares and some of its assets, which is beyond management's control, and may be further complicated by the political and judicial environment in Ukraine; and
- the uncertainty in relation to a successful completion of the planned fundraising in late September 2026.

As disclosed in Note 2 Basis of preparation to the Group's Consolidated Financial Statements, although the Group has managed to continue its operations during wartime, this continues to pose a significant threat to the Group's operations. Additionally, the risks of operating in the legal system in Ukraine have also increased in recent years representing another material uncertainty for the Group and its ability to continue as a going concern. Detailed information on the ongoing legal cases is provided in Note 30 Commitments, contingencies and legal disputes to the Consolidated Financial Statements.

Having assessed the current situation, including the war, the political environment and Ukrainian legal system, all identified available mitigating actions, with the results of management's assessment of the Group's going concern and long-term viability, many of the identified uncertainties in respect of the ongoing war and legal disputes are outside of management's control, and are unpredictable, which may cast significant doubt upon the Group's ability to continue as a going concern.

In performing this assessment, the Directors have also considered the Group's resilience to climate change risks (covering a range of physical risks and transition risks).

The Strategic Report was approved by the Board on 3 September 2026 and signed on behalf of the Board by:

Lucio Genovese
Interim Executive Chair
3 September 2026
Ferrexpo plc

Governance report



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GOVERNANCE WITH PURPOSE. STRENGTH. IRON WILL.

Ferrexpo's governance framework underpins its purpose of enabling green steel and supporting Ukraine through conflict. Through strong Board oversight and a continued focus on high standards, the Group maintains the resilience, discipline and agility needed to sustain business continuity. Strong governance and high standards help sustain business continuity and reinforce the resilience and iron will shown by our people in protecting the business and advancing recovery.

People, safety and continuity

ACTIVITY

Oversaw workforce safety and business continuity

OUTCOME

Supported resilience, protected operations and prioritised wellbeing

 Find out more on page 62



Governance and risk oversight

ACTIVITY

Maintained governance, controls and risk oversight

OUTCOME

Enabled effective decision-making and accountability

 Find out more on page 100



Stakeholder engagement

ACTIVITY

Strengthened stakeholder engagement and resilience planning

OUTCOME

Supported sustainable decisions, asset protection and recovery planning

 Find out more on page 74



PRIORITIES 2026

- Supporting our workforce and the Group's operations throughout the war in Ukraine
- Prioritising health, safety and employee wellbeing across the Group
- Preserving the Group's assets, liquidity and financial resilience
- Maintaining oversight of operations, logistics and market developments
- Reviewing and enhancing the Group's risk management and internal control framework to comply with Provision 29 of the UK Corporate Governance Code
- Continuing to strengthen cybersecurity and organisational resilience
- Overseeing compliance, ethics and the embedding of updated governance policies
- Progressing Board refreshment, succession planning and Committee composition
- Improving diversity at Board and management level, including targeted recruitment
- Progressing recruitment for key leadership roles to strengthen executive capability and support delivery of the Group's strategy

INTRODUCTION TO CORPORATE GOVERNANCE

We are committed to strong and robust corporate governance practices

“

Committed to upholding high standards of corporate governance during exceptionally challenging times and delivering on our promises.

”



DEAR SHAREHOLDER

On behalf of the Board, I am pleased to present the Corporate Governance Report for the year ended 31 December 2025.

This report provides details about the Board and an explanation of our individual roles and responsibilities. It also provides an insight into the activities of the Board and its Committees over the year and how we sought to ensure that high standards of corporate governance remain embedded throughout the Group and the Company, underpinning and supporting our business and the decisions we make.

At the time of writing, the war in Ukraine has been ongoing for more than four years, and so before reflecting on the commercial progress made during 2025, it is important to acknowledge the devastating impact the war is having on Ukraine and its people.

I believe that strong governance is essential to help see Ferrexpo through these exceptionally challenging times. The Board continued to meet regularly to discuss the war in Ukraine, receiving regular updates from the management team as to the Group's response. Protecting the Group's workforce remains our main priority, as well as taking steps to preserve the integrity of our assets to protect the business. This will continue to be a priority for the Board in 2026, as we also continue to focus on exercising high standards of governance during these unprecedented and difficult times.

This year's Corporate Governance Report sets out an overview of the means by which the Group and the Company is directed and controlled, and our governance structure, while highlighting some of the governance activities of the Board and its principal committees during the course of the year.

INTRODUCTION TO GOVERNANCE CONTINUED

The Board remains fully committed to maintaining good corporate governance practices throughout the Group which underpin all of its actions. The structure, policies and procedures we have adopted, which are described in this report, the Directors' Report and reports from each of the Board Committees, reflect our commitment. We recognise the need to keep them under review and make changes where necessary to ensure that standards are maintained and reflect ever-evolving best practice. This report also explains how we have applied the principles and complied with the provisions of the UK Corporate Governance Code during the year.

The Board's role includes managing and mitigating the risks facing the business. This includes taking into account the risks associated with operating in Ukraine, counterparties, financial risks, operational risks including health, safety, environmental and climate change risks, together with iron ore market risks such as prices and freight rates. As new risks emerge, our approach to evaluating risk appetite is reassessed. The Board's role is also to support and challenge management and to ensure that the way we operate promotes the long-term sustainable success of Ferrexpo plc.

OPERATION OF THE BOARD DURING THE WAR IN UKRAINE AND GOVERNANCE FRAMEWORK

Against the backdrop of the continuing war in Ukraine, we remained focused on the health, safety and wellbeing of our people globally, who have continued to deliver for the Group, our shareholders and stakeholders through the testing times over the last few years. Our people have helped ensure business continuity and have safeguarded our operations, whilst maintaining good corporate governance practices and our system of internal control.

During the year, the Board has continued to operate effectively and without disruption notwithstanding the ongoing challenges facing the Group. Some Board members attended Board meetings virtually due to travel restrictions. All scheduled Board meetings were held and the Board continued to uphold and maintain good corporate governance, the corporate agenda and the flow of information across the Group.

We have also ensured Directors' training and professional development programmes continued as planned. The format of hybrid (combination of physical and virtual) Board meetings provided the Board with greater opportunities to engage with each other, and with management and members of the workforce. During October 2025, the then-designated Employee Engagement Director, Vitalii Lisovenko, undertook an operational site visit and held engagement sessions with a cross section of employees. The findings highlighted the importance of strengthening communication, supporting managers in leading under pressure, taking a balanced approach to cost-management decisions and enhancing employee engagement. These findings and the related recommended actions were presented to the Board, which accepted them in full, and progress is continuing despite the ongoing challenges of the war in Ukraine. Regrettably, the Board site visit to our operations in Horishni Plavni was once again deferred due to the war. The Board site visit was replaced with a Board Strategy Day.

We continued to enhance our shareholder and stakeholder engagement and we consider their interests at the centre of our decision-making. Our Section 172 Statement set out on pages 74 to 78 provides further details on how the Board complied throughout the year.

The war in Ukraine has not adversely affected the operation of the Board or its Committees.

SUPPORTING LOCAL COMMUNITIES DURING THE WAR IN UKRAINE

During the year, we continued our CSR activities, albeit on a reduced budget approved by the Board, to support our workforce and local communities in Ukrainian society. We continue to support our colleagues serving in the Armed Forces of Ukraine and we have expanded our Veterans Support Programme. The focus of our community activities has shifted to supporting mental health as the war prolongs (see the Responsible Business section of the Strategic Report on pages 62 to 73).

The Board exercises control of the local charitable spending via its Health, Safety, Environment and Community ("HSEC") Committee, which oversees and directs these activities and receives reports detailing the spend.

Throughout the year, due to liquidity restraints, we were forced to suspend the Ferrexpo Humanitarian Fund.

BOARD CHANGES

The issue of diversity, both in the Boardroom and throughout the entire Group, is taken very seriously by the Board as we believe this improves effectiveness, encourages constructive debate, delivers strong performance and enhances the success of the business. Ensuring that we have a culture which promotes and values diversity, and one which is maintained throughout the business, is a continual prime focus and is underpinned by our Diversity, Equity and Inclusion Policy, which sets our objectives.

In accordance with best practice requirements of the UK Corporate Governance Code, the Board keeps its balance of skills, knowledge, experience, independence and diversity under review, which is beneficial in bringing new perspectives to the Board.

“

It continues to take iron will to operate through war. That will is reflected in the resilience of our workforce and in our determination to protect our people, preserve our assets and support Ukraine.

”

During the reporting year, there was the following Board and Board committee changes:

- On 11 January 2025, due to personal reasons, Natalie Polischuk resigned as an Independent Non-executive Director and Chair of the HSEC Committee, and as a member of both the Audit Committee and the Committee of Independent Directors (“CID”).
- On 12 January 2025, Fiona MacAulay, Senior Independent Non-executive Director was appointed on an interim basis as a member of the Audit Committee and as a member and Chair of the HSEC Committee.

After year-end, Vitalii Lisovenko retired from the Board at the AGM held on 29 June 2026, having served more than nine years as a Director. Vitalii also served as the Board’s designated Employee Engagement Director. A successor to this role will be appointed in due course.

The Board recognises that it does not currently meet all applicable diversity targets in relation to gender and ethnic diversity on the Board. While appointments will continue to be made on merit and against the skills and experience required by the Group, the Board remains committed to improving its diversity and will continue to take both gender and ethnic diversity into account as part of its ongoing Board refreshment programme.

BOARD PERFORMANCE REVIEW

In line with the UK Corporate Governance Code, Board performance was assessed externally in 2024. Therefore, during the year, an internally assessed review of the performance and effectiveness of the Board, its Committees and each of the Directors was undertaken. A report on the process, activities, findings and actions of the review can be found on pages 142 to 144.

Key highlights in 2025 and up to the date of this report:

- supporting our workforce and the Group’s operations throughout the war in Ukraine;
- health and safety and employee wellbeing;
- zero fatalities;
- broadened our premium-grade iron ore product mix to export more concentrate;
- notified potential claims to the Government of Ukraine under the UK-Ukraine and the Swiss-Ukraine Bilateral Investment Treaties, seeking the cessation of the relevant actions to protect the interests and assets of the Group and all of its shareholders;
- continued with the search for a Director to meet diversity targets;
- appointment of Audit Committee member;
- appointment of female Independent Non-executive Director to Chair HSEC Committee;
- updated Board’s skills matrix;
- succession planning at Board and management level;
- strengthened cybersecurity;
- held our 2026 AGM to approve the re-election of directors (other than Vitalii Lisovenko) and renew the authority for the Company to make market purchases of its own shares and to call general meetings by notice of 14 clear days, with all resolutions passing by significant majorities; and
- focus on shareholder and key stakeholder engagement.

Key priorities for 2026:

- supporting our workforce and the Group’s operations throughout the war in Ukraine;
- health and safety and employee wellbeing;
- preserving the Group’s assets, liquidity and financial resilience;
- oversight of operations, logistics and market developments;
- enhancing the Group’s risk management and internal control framework;
- progressing recruitment for key leadership roles;
- continue to maintain high standards of Corporate Governance;
- recruit an additional Director with relevant finance skills;
- aim to improve Board diversity and meet targets;
- succession planning at Board and diversity at management level;
- continue focus on shareholder and key stakeholder engagement; and
- continue to strengthen and broaden cybersecurity.

On behalf of the Board, I confirm that we consider that this Annual Report is fair, balanced and understandable, and presents the information necessary to assess the Company’s position, performance, business model and strategy.

Lucio Genovese

Interim Executive Chair
3 September 2026

CORPORATE GOVERNANCE COMPLIANCE

As a company listed on the London Stock Exchange, the Company is subject to the UK Corporate Governance Code 2024 (“Corporate Governance Code”). This section explains how we applied the principles of the Corporate Governance Code. A copy of the Corporate Governance Code can be found at [frc.org.uk](https://www.frc.org.uk).

STATEMENT OF COMPLIANCE (IN ACCORDANCE WITH UK LISTING RULE 6.6.6R(6))

The Board considers the Company has complied throughout the year ended 31 December 2025, with all the provisions of the Corporate Governance Code except as set out below

- **Provision 9:** The Chair was not independent on appointment and the role of Chief Executive and Chairman is undertaken by one person – Lucio Genovese, the Company’s Interim Executive Chair.
- **Provision 19:** The Chair has remained in post for more than nine years since his first appointment to the Board in June 2007. Mr Genovese’s tenure ran from 12 June 2007 to 1 August 2014, and he rejoined the Board on 13 February 2019. Therefore, whilst the total tenure exceeds nine years there was a significant break in Mr Genovese’s tenure between 2014 and 2019.

Explanations for not complying with provisions 9 and 19 of the Corporate Governance Code as the Chair was not independent on appointment, the role of Chief Executive and Chairman should not be undertaken by the same person and his tenure exceeds the recommended nine-year term are provided below. The Corporate Governance Code sets out the governance principles and provisions that applied to the Company during 2025. The Corporate Governance Code is not a rigid set of rules, and consists of principles and provisions.

EXPLANATIONS FOR NON-COMPLIANCE WITH PROVISION 9 AND 19:

As explained in previous annual reports, the Chair was not independent on appointment. However, the Board was satisfied that Mr Genovese is fully independent from all the Company’s shareholders and has been during his entire tenure as a Non-executive Director. Additionally, upon his appointment as Chair, the members of the Nominations Committee were comfortable based on their own experiences that Mr Genovese conducts himself with professional and personal integrity with an independent mindset and brings valuable challenge to the Board based on his in-depth understanding of the key drivers and challenges faced by the Group.

Following the resignation of the Chief Executive Officer, the decision was taken to combine the roles of the Chair and Chief Executive Officer on an interim basis, as with the ongoing war in Ukraine and the need for business continuity, it was not considered the right time to commence an external search process for a new Chief Executive Officer.

Although the role of the Chair and Chief Executive are undertaken by the same person, the Board believes that there is sufficient separation of responsibilities of the roles usually undertaken by the Chair and the Chief Executive Officer amongst the Interim Executive Chair, the Chief Financial Officer, the Senior Independent Director, the Committee of Independent Directors, the Group Company Secretary and the Company’s Senior Management team. The Board, with assistance from the Nomination Committee, regularly keeps this temporary arrangement under review.

Mr Genovese was first appointed to the Board as a Director in June 2007 and retired in August 2014. After a near five-year break, he re-joined the Board in February 2019 as a non-Independent Non-executive Director. In August 2020 he was appointed as Chair of the Board, and most recently in July 2023 he was appointed Interim Executive Chair.

Mr Genovese has led the Board through the continuing Russian invasion of Ukraine, ensuring continuity of the Board agenda and meetings together with ongoing corporate initiatives, whilst operating at a time of war.

The Board believes Mr Genovese is the right person to chair the Board and exercise executive leadership of the Group at this time. Shareholder support for Mr Genovese’s role is demonstrated by the significant majority vote in favour of his re-election at the 2026 AGM.

Further details on the composition of the Board and its Committees are set out on page 134 and further details of the role of the Senior Independent Director are set out on page 136.

The Board confirms that at the date of this report, unless otherwise explained above, the Company fully complied with all relevant provisions of the Corporate Governance Code. Further information on the Company’s compliance with the Principles of the Corporate Governance Code can be found on the following pages:

Board leadership and Company purpose	Principle A:	Interim Executive Chair's Statement page 4, Stakeholder Engagement – Section 172 Statement pages 74 to 78, Skills Matrix page 131
	Principle B:	Interim Executive Chair's Statement page 4, Our Business Model pages 28 to 31, Understanding our Strategic Direction pages 32 to 35, Stakeholder Engagement – Section 172 Statement pages 74 to 78
	Principle C:	Key Performance Indicators pages 36 to 39, Risk Management pages 100 to 101, Principal risks pages 102 to 115, Internal Controls page 155
	Principle D:	Interim Executive Chair's Review page 4, Our Stakeholders page 74, Responsible Business: Safety and our People page 64, Operating during a time of war: Local communities page 20, Responsible Business: Governance pages 72 to 73, Stakeholder Engagement – Section 172 pages 74 to 78
	Principle E:	Non-Financial Information Statement page 73, Our engagement activities in 2025 page 75, Stakeholder and workforce engagement page 138, Whistleblowing Policy page 157
Division of responsibilities	Principle F:	Interim Executive Chair's Introduction page 4, Statement of Compliance page 134, Role Descriptions page 136, Board Leadership pages 137 to 141, Board Performance Review pages 142 to 144
	Principle G:	Group Structure page 130, Board of Directors pages 126 to 127, Role Descriptions page 136
	Principle H:	Corporate Governance At a Glance page 130, Board of Directors pages 126 to 127, Time Commitment page 135, Role Descriptions page 136
	Principle I:	Skills Matrix page 131, Time commitment and Non-executive Director external appointments during 2025 page 135, Board Leadership pages 137 to 141
Composition, succession, evaluation	Principle J:	Diversity page 129, Nominations Committee Report page 158
	Principle K:	Board Diversity, tenure and balance page 131, Board Composition page 134, Skills Matrix page 131, Succession Planning and Recruitment page 160
	Principle L:	Board Performance Review pages 142 to 144
Audit, risk, internal control	Principle M:	External Audit page 156, Internal Audit page 156
	Principle N:	Audit Committee Report pages 146 to 157, Responsibility statement of the Directors in respect of the Annual Reports and Accounts page 188
	Principle O:	Risk Management pages 100 to 101, Principal Risks pages 102 to 115, Internal Control and Risk Management page 155
Remuneration	Principle P:	Remuneration Policy pages 163 to 180
	Principle Q:	Our approach to remuneration page 163, Performance and Reward pages 163 to 166, Implementation of the Remuneration Policy in 2025 page 164
	Principle R:	Remuneration Report pages 163 to 180

BOARD OF DIRECTORS

A board with expertise

Gender breakdown

As at 31 December 2025

Female 20%
Male 80%

Key to committee membership

- Audit Committee
- Remuneration Committee
- Nominations Committee
- Committee of Independent Directors ("CID")
- Health, Safety, Environment and Community ("HSEC") Committee
- Executive Chair and Executive Committee
- Committee Chair

“Our Board brings together a broad and complementary range of skills, experience and perspectives to support the Group’s strategy and provide effective oversight of risk and governance.”

Raffaele (Lucio) Genovese
Interim Executive Chair



Raffaele (Lucio) Genovese
Interim Executive Chair

Date of appointment

1 July 2023 as Interim Executive Chair

24 August 2020 as Chair

13 February 2019 as Non-independent
Non-executive Director

Current external appointments

Since 2021, he has served as chair of CoTec Holdings, listed on NEX Board of the TSVX; and chief executive officer of Nage Capital Management AG, a Swiss based investment and advisory firm, since 2004.

Previous appointments

Previously, he was non-executive director of Nevada Copper Inc 2016–2023; non-executive director of Mantos Copper SA, 2015–2022; independent non-executive director of Ferrous Resources Limited, 2014–2019; chair of Firestone Diamonds Plc, 2012–2020; an Independent Non-executive Director of Ferrexpo plc, 2007–2014; senior executive officer, Copper Division, Glencore International, 1996–1999 and chief executive officer, CIS Operations, Glencore International, 1992–1998.

Skills, expertise and contribution

Lucio contributes to Ferrexpo plc over 35 years of commercial experience in the metals and mining industry. He worked at Glencore International AG where he held several senior positions including the CEO of the CIS region.

Lucio brings a deep knowledge across the Ferrous and Non-Ferrous Mining sector, including in iron ore. He has extensive experience of operating in emerging markets, specifically in the CIS states. As a previous Board member (from 2007 to 2014) and as a Board member of Ferrexpo AG, Lucio has in-depth knowledge of the Group which is extremely valuable to the Company at a Board level.

Committee membership



Nikolay Kladiev
Executive Director,
Group Chief Financial Officer

Date of appointment

25 May 2023 as Executive Director

Nikolay was appointed Group Chief Financial Officer on 4 August 2021.

Current external appointments

N/A.

Previous appointments

Nikolay joined the Group in 2005, and contributed significantly to the Group's IPO. Since 2007, Nikolay has served on the Board of FPM as CFO. During his 19 years with Ferrexpo, Nikolay has overseen FPM's finance function, and has been directly responsible for maintaining the Group's position as a low cost pellet producer during this time. Prior to Ferrexpo, Nikolay held a number of audit positions with Arthur Andersen and Ernst & Young in Ukraine and Eastern Europe.

Skills, expertise and contribution

Nikolay is a Chartered Accountant (UK) and has a Masters in International Economic Relations from Kyiv National Economic University.

Committee membership

N/A



Fiona MacAulay
Senior Independent Non-executive Director

Date of appointment

12 August 2019

10 February 2022 as Senior Independent Director

Current external appointments

Non-executive director of Dauch Corporation (formerly Dowlais Group plc) since April 2023; Non-executive director of Costain Group Plc since April 2022; and non-executive director of Rosebank Industries Plc since November 2025.

Previous appointments

Previously, she was non-executive director of Chemring Group Plc 2020–2026 and senior independent director 2025–2026; non-executive chair of IOG Plc 2019–2023; non-executive director of AIM listed Coro Energy, 2017–2022; chief executive officer of Echo Energy plc, 2017–2018; non-executive director, 2018–2019 and chief operating officer of Rockhopper Exploration plc, 2013–2017.

Skills, expertise and contribution

Fiona contributes to Ferrexpo plc over 35 years' experience in the upstream oil and gas sector, including key roles in a number of leading oil and gas firms across the large, mid and small cap space, including Mobil, BG Group, Amerada Hess, Echo Energy, Rockhopper and Chemring Group Plc.

Fiona brings a strong focus on health, safety, climate change and culture, with a deep understanding of the factors influencing the management for safe, efficient and commercial operations. In 2022, she completed a Diligent Climate Leadership Certification programme. She has extensive operational experience in emerging energy which enables her to bring positive insight on a broad range of issues to Board and Committee discussions.

Committee membership



On 12 January 2025, on an interim basis, Fiona was appointed as a member of and Chair of the HSEC Committee and as a member of the Audit Committee.



Stuart Brown
Independent Non-executive Director

Date of appointment

22 October 2023

Current external appointments

N/A.

Previous appointments

Previously, he was Non-executive Chair of Lucapa Diamond Company Limited 2024–2026; President and CEO of Mountain Province Diamonds Inc 2018–2021; CEO of Firestone Diamonds Plc 2013–2018; Group CFO and Acting Joint CEO De Beers Group 2006–2011.

Skills, expertise and contribution

Stuart is a seasoned mining executive with extensive board-level experience. He previously held both CFO and CEO roles at De Beers and its various subsidiaries, where he played a central role in reshaping the group and positioning it for the future. Most recently, Stuart served as President and CEO at Mountain Province Diamonds Inc., a company listed on the Toronto Stock Exchange, and as CEO of Firestone Diamonds Plc, formerly listed on AIM where he established a track record of building teams and leading business transformation to develop lean, agile, high-performing organisations.

Committee membership



FORMER DIRECTOR



Vitalii Lisovenko
Independent Non-executive Director

Date of appointment

28 November 2016

Current external appointments

Currently, he serves as a non-executive advisor to the Minister of Finance of Ukraine and advisor to Ukrzooovetprompostach (Ukraine).

Previous appointments

Previously, he was non-executive director of the Supervisory Board of National Depository of Ukraine, 2020–2026; an executive director of Ukreximbank (Ukraine), 2006–2010; an executive director of Alfa Bank Ukraine, 2010–2014; a non-executive director of Amsterdam Trade Bank, 2013–2014; and a non-executive alternate director, Black Sea Trade and Development Bank (Greece), 2014–2019; and since 1994 has held various positions in the Finance Ministry of Ukraine. He also was an Associate Professor of Finance at the Kyiv State Economic University.

Skills, expertise and contribution

Vitalii contributed to Ferrexpo plc over 25 years' experience in government finance. In 2005, he served as the head of the Trade and Economic Mission at the Ukrainian Embassy in London. He was an Associate Professor of Finance at the Kyiv State Economic University.

Vitalii brought extensive experience in the field of Ukrainian government finance together with a deep understanding of geopolitical developments in Ukraine, which was valuable to the Group.

Committee membership



Non-executive Director designate for workforce engagement.

EXECUTIVE COMMITTEE

An experienced and committed Management Team

Executive Directors

Raffaele (Lucio) Genovese,
Interim Executive Chair

Nikolay Kladiev, CFO

Management Team

Viktor Lotous FPM, General Director and the
Chair of FPM Supervisory Board

Greg Nortje, Chief Human Resources Officer

Yaroslavna Blonska, Acting Chief
Marketing Officer



Raffaele (Lucio) Genovese
Interim Executive Chair

 For more information see pages 126



Nikolay Kladiev
Executive Director,
Group Chief Financial Officer

 For more information see pages 126



Viktor Lotous
FPM General Director and the
Chair of FPM Supervisory Board

Viktor brings to the Executive Committee more than 35 years of mining and processing experience as well as deep understanding of Ferrexpo, its culture and context.

Skills and experience

Viktor began his career with FPM in 1986. In 1997, he assumed the role of Chief Engineer and in 2007 was appointed General Director and Chair of the Supervisory Board of FPM. In this role, he is charged with leading and ensuring safe and responsible operations, optimising performance, executing future growth options and delivering commercial value across the company's operational footprint in Ukraine. In 2023, Viktor additionally assumed the position of Chief Operating Officer, on an interim basis, with operational oversight of the Group's assets in Ukraine. He is a graduate of Kryvyi Rih Mining and Ore Institute, and of the Kyiv National Economic University, specialising in Finance.



Greg Nortje
Chief Human Resources Officer

Greg joined Ferrexpo in January 2014.

He previously held a variety of international Human Resources leadership positions with Anglo American and BHP Billiton before establishing his own human resources consultancy firm to a range of clients across the UK. Particular specialisms include project management and business change execution, organisational effectiveness, talent management, governance and compliance, and leadership development.

Skills and experience

He has Advanced Management qualifications from the University of Stellenbosch Business School and the Gordon Institute of Business Science, a Bachelor of Arts degree and a postgraduate Diploma in Education from the University of the Witwatersrand.



Yaroslavna Blonska
Acting Chief Marketing Officer

Yaroslavna was appointed the Acting Chief Marketing Officer on 22 August 2022.

Yaroslavna joined Ferrexpo in 2002.

Since joining Ferrexpo, Yaroslavna has held a number of key roles within the Group's Marketing team, including Head of Sales for customers in Europe and Turkey, management of the Group's Asian and European customers, membership of the representative board for the Group's port loading subsidiary, TIS-Ruda. Yaroslavna has been acting as a focal point for the Group's government and public relations within Ukraine. She has also been managing Ferrexpo's office in Kyiv since 2006. Yaroslavna has been helping to facilitate the Group's Fe_munity Women in Leadership programme as a speaker and a mentor.

Skills and experience

She holds a Master of Business Administration degree from Kyiv State Economic University and a post graduate Diploma in Law from Taras Shevchenko National University, Kyiv.

By virtue of the information included in this Corporate Governance Report and the Directors' Report, the Company complied with the corporate governance statement requirements of the FCA's Disclosure Guidance and Transparency Rules.

DIVERSITY

We report our Board and executive management diversity data as at 31 December 2025 in accordance with the UK Listing Rules disclosure requirements, and our progress in meeting the UK Listing Rules board diversity targets.

Except for the resignation of Natalie Polischuk on 11 January 2025, there were no further director changes during the financial year and as at 31 December 2025, women represented 20% of the Board see pages 122 to 123 and accordingly the target of 40% females on the Board was not met as at 31 December 2025. Fiona MacAulay is the Senior Independent Director, see page 127 and therefore one of the senior Board positions was occupied by a woman; however, so far a Director from an ethnic minority background has not yet been appointed. The Board remains committed to enhancing its gender and ethnic diversity.

The gender diversity of the Board and executive management as at 31 December 2025:

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)*	Number in executive management	Percentage of executive management
Men	4	80%	2	5	83%
Women	1	20%	1	1	17%
Other categories	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

* The role of Chair and CEO were combined on 1 July 2023 and counted as one position in order not to double count.

The ethnic diversity of the Board and executive management as at 31 December 2025:

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)*	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	5	100%	3	6	100%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

* The role of Chair and CEO were combined on 1 July 2023 and counted as one position in order not to double count.

Notes:

- Executive management for these purposes includes the Group Company Secretary but excludes administrative and support staff (as defined by the UK Listing Rules).
- The Company confirms that the approach to collecting data forming the basis of the gender and ethnic diversity of the Board and senior management of the Company was consistent for the purposes of reporting under both UKLR 6.6.6R(9), (10) and (11) and was consistent across all individuals in relation to whom data was reported. Board members, members of executive management and the Group Company Secretary were provided with a standard form questionnaire on a strictly confidential and voluntary basis to allow the individual to self-report on their gender and ethnicity (or to specify that they do not wish to report such data). The questionnaire was fully aligned to the definitions set out in the UK Listing Rules, with individuals asked to specify:
 - self-reported gender identity – selection from (a) male, (b) female, (c) other category/please specify and (d) not specified/prefer not to say; and
 - self-reported ethnic background – selection from (a) White British or other White (including minority-white groups), (b) Mixed/Multiple Ethnic Groups, (c) Asian/Asian British, (d) Black/African/Caribbean/Black British, (e) Other ethnic group and (f) not specified/prefer not to say.
- The Executive Committee includes the Group Company Secretary. For the purposes of the UK Corporate Governance Code, the gender balance of those in senior management (i.e. the Executive Committee and their direct reports) was 67.4% male and 32.6% female.

GOVERNANCE FRAMEWORK

Strong governance underpins the way the Company is directed and controlled. On behalf of shareholders, the Board provides leadership, oversight and accountability, supported by its Committees with defined roles, ensuring sound decisions, effective risk management, and long-term success.

OUR GOVERNANCE AT A GLANCE



¹ The Finance, Risk Management and Compliance Committee, Investment Committee and the Executive Related Party Matters Committee all report to the Executive Committee.

Strategy areas



High-quality production



Low-cost operations



Focus on sustainability



World-class customer network

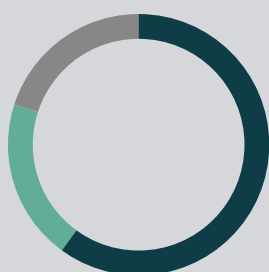


Disciplined capital allocation

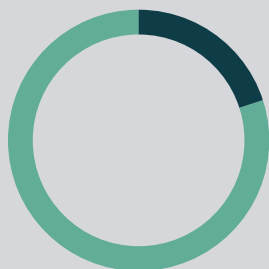
[Read more on our Strategy on page 32](#)

STRONG AND EXPERIENCED LEADERSHIP

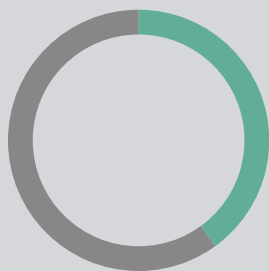
The right team

Board balance¹

● Independent	3
○ Non-independent	0
● Executive chair	1
● Executive	1

Gender¹

● Female	20%
● Male	80%

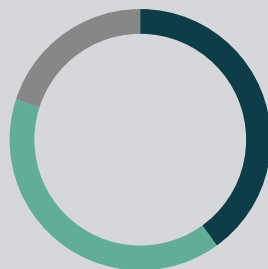
Age¹

● 40-49	0
● 50-59	2
● 60+	3

Long-term stability

Ethnicity¹

● White	5
● Mixed/Multiple Ethnic Group	0

Board tenure¹

● 0-5 years	2
● 5-9 years	2
● 9+ years	1

On 11 January 2025, Natalie Polischuk resigned from the Board as an Independent Non-executive Director for personal reasons. See page 134 for details of Board members who served during the year and as at the date of this report.

[Read more on pages 134](#)

1. As at close of business on 31 December 2025

Relevant skills and experience

Board skills matrix¹

Mining, Global Resource Industry

75%



Business leadership and strategy

80%



Corporate governance

70%



ESG/Sustainability

65%



Financial, Audit & Risk

90%



CIS geographical experience

85%



Government and international relations

70%



HSEC

75%

Human capital management/
Remuneration

85%



Investor relations management

85%



Risk management

95%



Board composition and skills

The Board considers that its current composition provides an appropriate balance of skills, experience and knowledge to support the Group's strategy and oversee the significant risks and challenges facing the business. The Board's composition is kept under regular review to ensure it reflects the evolving needs of the business, its principal risks and the interests of shareholders and other stakeholders.

KEY ACTIVITIES OF THE BOARD

There is an approved Schedule of Matters Reserved for Decision by the Board which is reviewed periodically and available at www.ferrexpo.com/investors

The Board retains responsibility for the approval of certain matters which include:

- Group strategy;
- the annual budget;
- the financial structure;
- major capital expenditure including investments and disposals;
- approval of the Financial Statements;
- the dividend policy; and
- compliance with the Code.

Regular dialogue between the Chair, Chief Executive and Company Secretary helps ensure that the Board agendas contain the appropriate mix of: strategy; people and culture; financial; operational; and governance matters to enable it to effectively discharge its duties.

Strategy



Raffaele (Lucio) Genovese
Interim Executive Chair

“In 2025, the Board focused on a resilient, adaptable strategy, balancing short-term challenges with long-term value creation.”

Board activities during 2025

- Reviewed the Group’s strategic response to the ongoing war in Ukraine, including scenario planning for different operational and market conditions.
- Considered market developments, logistics, options and growth opportunities.

Key decisions made during 2025:

- Supported broader premium-grade product mix, increasing concentrate sales where market conditions were favourable.
- Endorsed scenario planning for higher production when conditions allow.
- Approved actions to safeguard the Group’s interests and assets.



DIVERSIFY GEOGRAPHIES

The Group continues to reduce business risk through the diversification of its product portfolio, customer base and geographic reach. Good progress was made in 2025, with supply established to five new customers, expanding the Group’s geographic sales footprint to ten countries.

Financial



Nikolay Kladiev
Executive Director, Group Chief Financial Officer

“Liquidity, cash flow and capital allocation were closely managed in 2025 to preserve financial resilience in a complex and challenging environment.”

Board activities during 2025

- Monitored liquidity, cash flow, funding and budget performance.
- Reviewed going concern, viability, impairment, treasury and banking arrangements.

Key decisions made during 2025:

- Supported disciplined capital allocation and cash management.
- Maintained a prudent approach to funding and liquidity.



GROW MARGIN

Support margins by focusing on premium-grade products with the strongest netbacks. In 2025, the Group showed agility by increasing concentrate sales to 44% of the total product mix when these were more profitable than pellets, while continuing to advance plans for a new ultra-premium 70% Fe concentrate pellet feed.

Operational



Stuart Brown
Independent Non-executive Director

“In 2025, we remained focused on safe, stable and efficient operations in challenging conditions, while retaining flexibility as circumstances changed.”

Board activities during 2025

- Received regular updates on operations, logistics and workforce matters.
- Oversaw health and safety and reviewed readiness for recovery scenarios.

Key decisions made during 2025:

- Supported a broader premium-grade product mix and higher concentrate exports.
- Continued to strengthen cybersecurity and IT controls.



PROGRESS GREEN MINE INITIATIVE

Ferrexpo continued to progress its Green Mine initiative in 2025, completing a ten-year electrification study with MEC Mining and advancing discussions with key technology partners, including ABB, Hitachi, Caterpillar and others, on solutions including trolley-assist systems, battery-electric locomotives and battery-electric haul trucks.

People & Culture



Vitalii Lisovenko
Independent Non-executive Director
(retired from the Board on 29 June 2026)

“People and culture remained central in 2025, with continued focus on workforce wellbeing, engagement, succession planning and support for returning veterans.”

Board activities during 2025

- Oversaw workforce safety, wellbeing and veteran support during the war.
- Reviewed workforce engagement, culture, succession planning and diversity initiatives.

Key decisions made during 2025:

- Supported measures to protect employees and those affected by the war.
- Considered workforce feedback on communication, reward, wellbeing and veterans' issues.
- Continued the search for a new Independent Non-executive Director to support Board diversity.



SUPPORT RETURNING VETERANS

By the end of 2025, 207 veterans had returned to Ferrexpo. Through its Veteran Support Service, the Group provides tailored support to help veterans reintegrate into civilian life and the workplace, including returning to previous roles where possible or retraining for new ones, alongside growing psychological support for veterans, their families and the wider community.

Governance



Fiona MacAulay
Senior Independent Non-executive Director

“Strong governance supported effective Board oversight, constructive challenge and decision-making in a complex operating environment.”

Board activities during 2025

- Kept governance, risk and compliance under close review.
- Reviewed key risks, compliance reporting and whistleblowing matters.
- Oversaw Board composition, Committee structure and governance developments.

Key decisions made during 2025:

- Issued formal notifications of potential treaty claims against Ukraine.
- Approved updates to key governance policies and statements.
- Approved Board and internal audit appointments, supporting stronger internal controls.



VALUE ADD DECISION-MAKING

In 2025, the Group strengthened governance, focusing on disciplined capital allocation, liquidity, cash management, and operational resilience to support long-term shareholder value. This was especially important amid withheld VAT refunds, with governance enabling timely, transparent decisions in a complex environment.

CORPORATE GOVERNANCE STATEMENT

The Board is committed to high standards of corporate governance. This statement explains, in compliance with the UK Listing Rules, the Company's governance framework, the work of the Board and its Committees during the year, and how the principles of the UK Corporate Governance Code have been applied.

RELATIONSHIP AGREEMENT

The Company's largest shareholder is Fevamotinico S.a.r.l., which as at date of this report holds 49.3% of the voting rights in Ferrexpo plc. Fevamotinico S.a.r.l. is wholly owned by The Minco Trust. The Minco Trust is a discretionary trust that has three beneficiaries, consisting of Kostyantyn Zhevago and two other members of his family. Mr Zhevago, The Minco Trust and Fevamotinico S.a.r.l. entered into a Relationship Agreement with the Company (the "Relationship Agreement") to ensure that the Group is capable of carrying on its business independently, that transactions and arrangements between the Group, Fevamotinico S.a.r.l., The Minco Trust and Mr Zhevago (and each of their associates) are at arm's length and on normal commercial terms, and that at all times a majority of the Directors of the Company shall be independent of Fevamotinico S.a.r.l., The Minco Trust and Mr Zhevago. Under the Relationship Agreement, Mr Zhevago is entitled to appoint himself as a Director or another person as his representative Director, in each case in a non-executive capacity. During the year, Mr Zhevago has not exercised this right. The Relationship Agreement terminates if, inter alia, the shareholding of Mr Zhevago and his associates in the Company falls below 24.9%.

STATEMENT OF COMPLIANCE WITH UK LISTING RULES, RULE 6.6.1R(13)

The Board confirms that, as required by UK Listing Rule 6.6.1R(13), the Company is able to carry on the business it carries on as its main activity independently from its controlling shareholders at all times.

THE BOARD

The Board is responsible for setting the Group's objectives and policies, providing effective leadership within the framework of prudent and effective controls required for a public company. The Board has a formal schedule setting out the matters requiring Board approval and specifically reserved to it for decision. These include:

- approving the Group strategy and budget;
- annual and long-term capital expenditure plans;
- approving contracts for more than a certain monetary amount;
- monitoring financial performance and critical business issues;
- approval of major projects and contract awards;
- approval of key policies and procedures including for dividends, treasury, charitable donations and corporate social responsibility;
- approval of procedures for the prevention of fraud and bribery; and
- through the CID, monitoring and authorising related party transactions.

Certain aspects of the Board's responsibilities have been delegated to the Committees shown in the chart on page 130 to ensure compliance with the Companies Act 2006, FCA UK Listing Rules, and Disclosure Guidance and Transparency Rules and the UK Corporate Governance Code. The terms of reference for each of the Audit Committee, Nominations Committee, Remuneration Committee and HSEC Committee are available on the Company's website at www.ferrexpo.com/about-ferrexpo/corporate-governance/board-committees.

It is the responsibility of the Interim Executive Chair and Executive Committee to manage the day-to-day running of the Group.

BOARD COMPOSITION AND INDEPENDENCE

As at 31 December 2025, the Board comprised two Executive Directors and three Independent Non-executive Directors who are considered by the Board to be independent in accordance with the UK Corporate Governance Code. This structure ensures that the Executive Directors are subject to appropriate independent and constructive challenge by the Non-executive Directors, and that no single Director can dominate or unduly influence decision-making.

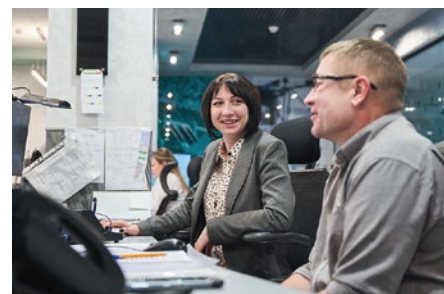
Composition of the Board and Committees as of 31 December 2025 is presented in the table below:

Board member	Role	Audit	Remuneration	Nominations	CID	HSEC ¹
R L Genovese	Executive Chair			●		
F MacAulay	Senior Independent Non-executive Director	●	●	●	●	●
N Kladiev	Executive Director/Chief Financial Officer					
V Lisovenko	Independent Non-executive Director and Designate for Employee engagement	●	●	●	●	
S Brown	Independent Non-executive Director	●	●		●	

1. The HSEC Committee also includes some members of senior management.

● Committee member.

● Committee Chair.



The Board considers that it is of a sufficient size to ensure that the requirements of the business are met without placing undue reliance on any one Director.

Biographical details of the Directors at the date of this report are set out on pages 126 and 127.

TIME COMMITMENT

It is expected that a Non-executive Director of the Company will normally spend at least two and a half days a month, on average, on Ferrexpo's affairs. The expected time commitment for the Senior Independent Director, the Committee Chairs and, in particular, the Interim Executive Chair is considerably more than that. The Non-executive Directors are required to confirm at least annually that they are able to commit sufficient time to the affairs of the Company, and all of our Non-executive Directors during the year gave this confirmation in respect of 2025.

All of the Non-executive Directors during the year were able to make themselves available for the majority of the ad-hoc Board and Committee meetings and update calls held during the year, notwithstanding their external commitments. The attendance of the Directors at Board and Committee meetings during 2025 is shown in the table below.

NON-EXECUTIVE DIRECTOR EXTERNAL APPOINTMENTS DURING 2025

During 2025, Fiona MacAulay was appointed a non-executive director of Rosebank Industries Plc, listed on AIM, a market operated by the London Stock Exchange, with effect from 14 November 2025. This appointment was considered a significant appointment for Ms MacAulay for the purposes of the UK Corporate Governance Code, and, in advance of the appointment, Ms MacAulay sought the prior approval of the Board. As part of approving this additional appointment, the Board considered a range of factors, including the existing appointments of Ms MacAulay, the time commitment expected in the role as the Senior Independent Director, attendance records at Ferrexpo Board and Committee meetings, institutional investor guidance on the number of board roles in respect of over-boarding and the additional time commitment from the new role. Following a commitment from Ms MacAulay, the Board was satisfied having regard to these matters that the additional role would not adversely impact the ability of Ms MacAulay to perform her existing role on the Ferrexpo Board and its Committees.

In December 2025, Vitalii Lisovenko requested the prior approval of the Board for an appointment as advisor to the National Depository of Ukraine. This appointment was considered a significant appointment for Mr Lisovenko for the purposes of the UK Corporate Governance Code, and, in advance of the appointment, Mr Lisovenko sought the prior approval of the Board. As part of approving this additional appointment, the Board considered a range of factors, including the existing appointments of Mr Lisovenko, the time commitment expected in the roles of Non-executive Director and Non-executive Director designate for workforce engagement, attendance records at Ferrexpo Board and Committee meetings, institutional investor guidance on the number of board roles in respect of over-boarding and the additional time commitment from the new role. The Board was satisfied having regard to these matters that the additional role would not have adversely impacted the ability of Mr Lisovenko to perform his existing roles on the Ferrexpo Board and its Committees at that time. Mr Lisovenko accepted the new advisory appointment in January 2026.

Board and Committee meeting attendance in 2025

Director	Attended/Eligible to attend							
	Board		Audit		Remuneration	Nominations	CID	HSEC ⁴
	Scheduled	Ad hoc	Scheduled	Ad hoc	Scheduled	Scheduled	Scheduled	Scheduled
R L Genovese	5/5	1/1				4/4		
N Kladiev	5/5	1/1						
V Lisovenko	5/5	1/1	5/5	1/1	4/5 ²	3/4 ²	5/5	
F MacAulay ¹	5/5	1/1	5/5	1/1	5/5	4/4	5/5	4/4
S Brown	5/5	1/1	5/5	1/1	5/5		5/5	

1. Ms MacAulay was appointed as a member of the Audit Committee with effect from 12 January 2025.

2. Due to prior commitments, Mr Lisovenko was unable to attend one Remuneration Committee meeting and one Nominations Committee meeting. However, he reviewed the board papers and had the opportunity to provide input in advance.

During the year, there were a number of ad-hoc Board and Committee meetings at short notice or update calls which dealt with (amongst other things) the Russian invasion of Ukraine (including operational impacts arising from electricity supply disruptions), suspension of VAT refunds in Ukraine, the Group's liquidity position and other developments in Ukraine involving or impacting the Group.

CORPORATE GOVERNANCE STATEMENT

CONTINUED

ROLE DESCRIPTIONS

A summary of the roles of the Chair, the CEO, the Interim Executive Chair, the Senior Independent Director, the Non-executive Directors and the Company Secretary is set out in the following table. The table also includes an overview of the role of the Executive Committee and of the Committee of Independent Directors. The roles of the Audit and Nominations Committees are set out later in this Corporate Governance Report, the role of the HSEC Committee in the Strategic Report on page 62, and the role of the Remuneration Committee in the Remuneration Report on page 163.

Role	Description
Chair	The Chair is responsible for leadership of the Board, ensuring its effectiveness, setting its agenda, ensuring that it receives accurate, clear and timely information, and ensuring effective communication with shareholders. The Chair also ensures that there is a constructive relationship between the Executive and Non-executive Directors. At least once annually, the Chair holds meetings with the Non-executive Directors without the Executive Director present. Mr Genovese's other current responsibilities are set out in the biographical notes on page 126.
CEO	The role of the CEO is to provide leadership of the executive team, implement Group strategy through executive committees, chair the Executive Committee, and oversee and implement Board-approved actions.
Interim Executive Chair	With effect from 1 July 2023, the roles of Chair and Chief Executive Officer as described above have been combined on an interim basis.
Senior Independent Director	The Senior Independent Director, in conjunction with the other Independent Non-executive Directors, assists in communications and meetings with shareholders and other stakeholders concerning corporate governance matters. At least once a year, the Senior Independent Director meets the Non-executive Directors, without the Chair present, to evaluate the Chair's performance. The Senior Independent Director is also available to discuss with shareholders any issues that the Chair has been unable to resolve to shareholders' satisfaction.
Non-executive Directors	The Non-executive Directors provide an independent and objective viewpoint in Board discussions and bring experience from a variety of industry backgrounds. Their role is to provide constructive support and challenge to executive management. Acting either as the Board or as members of its Committees, the Non-executive Directors approve budgets; discuss and contribute to strategic proposals and agree on corporate strategy; monitor the integrity, consistency and effectiveness of financial information, internal controls and risk management systems; monitor management's execution of strategy against agreed targets and determine their remuneration accordingly (see the Remuneration Report on page 163); and monitor executive succession planning (for Board succession planning, see the Nominations Committee Report on page 158). From time to time, where delegated by the Board, individual Non-executive Directors may take on additional functions in areas in which they have particular knowledge or expertise.
Company Secretary	The Company Secretary is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary is also responsible for advising the Board on all governance matters and for ensuring, with the Chair, that information reaches Board members in a timely fashion, so that they are alerted to issues and have time to reflect on them properly before deciding how to address them. All Directors have access to the advice and services of the Company Secretary.
Executive Committee	The Executive Committee is a key decision-making body of the Group, responsible for managing and taking all material decisions relating to the Group, apart from those set out in the Schedule of Matters Reserved for the Board. It has delegated responsibility from the Board for the execution of Board-approved strategies for the Group, for ensuring that appropriate levels of authority are delegated to senior management, for the review of organisational structures and for the development and implementation of Group policies. The Executive Committee meets regularly during the year.
Committee of Independent Directors ("CID")	The CID is composed of the Senior Independent Director and two other Independent Non-executive Directors. The CID considers and, if appropriate, authorises on behalf of the Board, related party transactions and otherwise ensures compliance with the related party transaction rules and the Relationship Agreement entered into between Fevamotinic S.a.r.l., Mr Zhevago, The Minco Trust and the Company. The CID holds delegated authority to consider and, if appropriate, approve situations which give rise to an actual or potential conflict of interest for any member of the Board in accordance with the Companies Act 2006. The CID keeps under review the authorisation and approval process relating to related party transactions (which are also reviewed in detail by the Executive Related Party Matters Committee ("ERPMC")).

BOARD LEADERSHIP

Governing with Purpose, Strength, Iron Will. The Board provides leadership and oversight to support the Group's strategy, uphold high standards of governance and promote long-term sustainable success, ensuring disciplined, accountable decision-making, responsive to the challenging environment in which the Group operates.

Before setting out the Board's activities in 2025, it is important to note that since the Russian invasion of Ukraine, the Board has continued to meet regularly to discuss the ongoing situation in Ukraine, the execution of the Group's business continuity plans, planning for different eventualities and adjustments to the corporate calendar. The Board receives regular updates from the management team as to the Group's response and scenario planning for different eventualities. Protecting the Group's workforce remains a key priority, as is taking steps to protect the business and thereby the stakeholders of the business. This will remain a key priority for the Board during 2026.

BOARD ACTIVITY IN 2025

Five scheduled Board meetings were held in 2025 (supplemented by other ad-hoc meetings, telephone or video conferences and written resolutions as required from time to time). Although all scheduled Board meetings were held in person, some ad-hoc meetings and Board calls were held via video conference with management team members and other Group personnel joining to discuss matters as appropriate. The Board intends to continue to hold its scheduled meetings in person during 2026.

The Board's programme of meetings allows key areas of focus to be established and reviewed on a regular basis. A review of the Board forward agenda was undertaken early in the year to align key focus areas with strategy. Rolling agendas have been developed within the Board forward agenda for the Board, Audit, Nominations and Remuneration Committees to ensure the necessary standing items are covered during the course of the year, and sufficient time is allocated to strategic discussions, with extra time factored in for ad-hoc and additional items. Agendas are agreed with the Chair (or with the Chair of the relevant Committee) and timeframes set in advance for the various meetings, thereby ensuring that the full agenda can be covered in the time allotted.

Board and Committee meeting packs are prepared by management following input on the agendas formulated by the Company Secretary and the respective Chairs, and made available electronically prior to the meeting via a secure online Board portal, thereby allowing the Directors adequate time to consider the variety of issues to be presented and discussed. In the minutes of the meetings, issues identified for follow-up are set out, ensuring that matters raised by the Directors are actioned and reported back in a timely manner.

At each scheduled Board meeting, the Directors receive a report from each of the Interim Executive Chair and the Chief Financial Officer and will review and approve the minutes from previous Board meetings and note Board Committee minutes. There is also an oral report from the Chair of each Board Committee, providing an overview of the matters discussed at the Committee meetings which are held before the scheduled Board meetings. The Board may also receive a report from the Chief Marketing Officer relating to updates on the Group's marketing strategy, product development and relationships with the Group's customers.

The Interim Executive Chair's report will include matters relating to production and operations, safety measures and performance against targets, iron ore market conditions, growth projects, implementation of diversity and inclusion policies and updates on the position in Ukraine. The Chief Financial Officer's report covers financial performance as compared to budget, financial forecasts and cash flow position, with a particular focus during 2025 on liquidity and the going concern assessment given the situation in Ukraine (including the suspension of VAT refunds). The Interim Executive Chair will report on developments relating to investor and stakeholder engagement (including shareholder feedback), relevant corporate governance matters and Board refreshment and succession planning.

In addition to formal Board and Committee meetings, the Senior Independent Director holds meetings with the Independent Non-executive Directors as required, enabling open discussions without the Executive Directors present.

The following sets out an overview of the key areas of focus for the Board during the year.

RUSSIAN INVASION OF UKRAINE

For the fourth consecutive year, the impact of the Russian invasion of Ukraine remained the key area of focus during the year, with the Board undertaking regular reviews of the Group's response to the invasion. The Board received regular updates from the management team on the Group's response to the invasion, including the safety, protection and wellbeing of the workforce and details of the support provided to those affected by the invasion and their families. Updates on safety measures put in place at the mine sites and other locations to protect the Group's workforce and assets were also provided.

A particular focus for 2025 was the operational impacts to the Group caused by the interruptions to electricity supply in Ukraine resulting from Russian attacks on energy infrastructure. The Board also continued to support local communities in Ukraine through a reduced Corporate Social Responsibility ("CSR") budget for 2025. For further details see pages 18 to 21.

More information can be found throughout this Annual Report and Accounts.

LEGAL AND OTHER ACTIONS AGAINST THE GROUP IN UKRAINE

Throughout the year the Board continued to address a number of legal and other actions being taken against the Group in Ukraine, some of which related to matters not directly involving the Group.

These actions included a claim against Ferrexpo Poltava Mining ("FPM") in the amount of UAH4.7 billion (US\$112 million as at 31 December 2025) regarding contested sureties, an application to open bankruptcy proceedings ("creditor protection proceedings") against the Group's major subsidiary in Ukraine in relation to the contested sureties claim, a further freeze ("arrest") being placed on certain shares in all of the Company's Ukrainian subsidiaries, and the suspension of VAT refunds by the Ukrainian tax authorities as a result of personal sanctions imposed on Mr Zhevago.

Further details can be found in Note 2 Basis of preparation and Note 30 Commitments, contingencies and legal disputes to the Consolidated Financial Statements.

The Board has continued to take a number of actions intended to protect the interests and assets of the Group and all of its shareholders, including pursuing legal actions in Ukraine where possible, making appropriate representations to Government officials both in Ukraine and elsewhere about the need to protect Ferrexpo's interests, and seeking to ensure that any private matters relating to Mr Zhevago do not adversely impact the Group. This has included emphasising that as a Company listed on the London Stock Exchange the Company is required to, and does, operate independently of all its shareholders.

BILATERAL INVESTMENT TREATIES AND BOARD ACTIONS TO PROTECT THE INTERESTS AND ASSETS OF THE GROUP AND ALL OF ITS SHAREHOLDERS.

During the year, and as announced in March 2025, Ukrainian authorities indicated that a court had approved the transfer of certain corporate rights in 16 Ukrainian entities, including 49.5% of the corporate rights of Ferrexpo Poltava Mining, to Ukraine's Asset Recovery and Management Agency, although the Group has not received any formal documentation in relation to this matter. These developments follow earlier statements regarding potential nationalisation claims and form part of a broader series of legal actions against the Ferrexpo Group, including civil and criminal proceedings, that have resulted at various times in asset freezes, arrests of property and bank accounts, and the detention of senior management resulting in bail payments being made by the Group to secure their release.

The Group considers these actions to be without legal merit, contrary to Ukrainian law, and characterised by procedural deficiencies and breaches of due process. Ferrexpo's Ukrainian subsidiaries are wholly owned by Ferrexpo AG and are managed independently of Mr Konstantin Zhevago, who holds no shareholding in those entities. The Group believes that Ukraine's conduct constitutes breaches of its obligations under the UK-Ukraine and Swiss-Ukraine bilateral investment treaties, including the obligation to provide fair and equitable treatment and to refrain from unreasonable or discriminatory measures. Accordingly, Ferrexpo Plc and Ferrexpo AG were left with no option but to issue a formal notification of potential claims to the Government of Ukraine under the UK-Ukraine and the Swiss-Ukraine Bilateral Investment Treaties, seeking the cessation of the relevant actions and the commencement of negotiations to resolve the matters. Further updates will be provided as and when appropriate.

CLIMATE CHANGE AND DECARBONISATION

Climate change has been a standing agenda item at all scheduled Board meetings and meetings of the HSEC Committee throughout the year and will continue to be a standing agenda item.

In November 2025, the tenth consecutive Responsible Business Report was published and our first to comply with Global Reporting Initiative standards. Achieving this milestone has long been an ambition, and it marks a positive step forward. Even when we are consumed by war, we have not lost sight of our commitment to progress our ESG reporting to even higher standards.

Highlights of the report include: Veteran Support Programme continues to help colleagues return to civilian life and work; funding for more than 100 humanitarian projects and initiatives; increase in female representation in management roles in Ukraine to 22.9%; increase in gender diversity within the workforce now at 32% female; 9% decrease in Scope 1 emissions on a unit basis; US\$657 million paid to suppliers in the year under review; recognition as a European climate leader by the Financial Times and Statista and recognition for our humanitarian programme at the Global Good Awards.

The risks and opportunities relating to climate change that are specific to Ferrexpo are summarised in the Task Force for Climate-related Financial Disclosures ("TCFD") on pages 80 to 99 of the Strategic Report.

FINANCIAL POSITION AND LIQUIDITY

The Board continuously reviews the financial position of the Group, including performance against targets, balance sheet strength and liquidity. During the year the Board discussed the Group's liquidity position, including the impacts arising from the withholding of VAT refunds and production impacts arising from the disruption to electricity supplies in Ukraine. The Board was updated by the management team on the steps being taken to reduce costs and manage the Group's working capital position in a difficult operating environment, and also exploring potential funding options.

The Company's Preliminary and Interim results and Annual Report were scrutinised and approved by the Board.

CYBERSECURITY STRATEGY

In light of heightened cybersecurity risks facing the business due to the ongoing war in Ukraine and the rise in cybersecurity attacks globally, maximum protection against cybersecurity attack is a top priority for the Group. During the year, the Board and the Audit Committee received updates from the Head of IT and additional resources was provided to bolster cybersecurity and IT staff.

STAKEHOLDERS AND WORKFORCE ENGAGEMENT

Stakeholder considerations and culture are an important part of the Board's discussions and decision making. The information on pages 74 to 78 provides a review of stakeholder engagement activities during the year and explains how the Board considers stakeholders in decision making.



In October 2025, over two days, Mr Lisovenko, former Non-executive Director Designate for workforce engagement, visited our operations in Ukraine and hosted a series of meetings and a number of engagement sessions with a cross section representing a range of employees across the three business units and included directors, senior line managers, first line managers and supervisors, workers and demobilized employees (veterans).

During the engagement sessions, members of the workforce made comments and suggestions on a range of matters and posed questions for subsequent response by the Board. In November 2025, a summary of the issues raised and recommended actions for the Board's consideration were presented to the Board. The Board considered the comments, concerns, suggestions and questions and will provide feedback to the workforce via established communication channels. For example, comments and concerns from the Ferrexpo workforce were categorised into eight main themes: wages, internal relationships and development of grapevine myths, excessive cost cutting, mobilisation and reservation from military call-up, issues with spare parts, veterans' issues, Ukraine vs non-Ukraine Ferrexpo and staff shortages for qualified personnel. Further details see page 76 Employees and wider workforce, Section 172 Statement.

The Group engages with its workforce through an annual employee engagement survey, which provides the Board with a valuable mechanism for understanding workforce sentiment and monitoring culture across the organisation. The survey forms part of the Board's broader workforce engagement framework and assists the Board in assessing whether the Group's culture remains aligned with its purpose, values and strategy. Conducted on a Group-wide basis in 2025, the survey also enabled the Board to evaluate changes from 2024 and to consider the effectiveness of actions taken in response to the previous year's findings.

The 2025 survey achieved a response rate of 61% (2024: 62%), representing a broad cross-section of the Group's workforce. The overall engagement score was 54% (2024: 71%). The Board carefully considered this reduction and recognised that it reflects the exceptionally challenging conditions in which many employees continue to operate, particularly in the context of the ongoing war in Ukraine and the resulting pressures on day-to-day life and wellbeing.



The Board's focus on composition, conduct, risk and succession helps ensure the Group is governed with discipline and foresight.



The principal themes arising from the survey related to communication, reward and recognition, and employee wellbeing. In response, focused action plans have been developed jointly by management and employees and are being overseen by the Board. The Board will continue to monitor progress in these areas and will use the 2026 survey, alongside its other workforce engagement and cultural indicators, to assess the effectiveness of the actions taken.

BOARD BALANCE AND INDEPENDENCE

Ensuring the appropriate balance of skills, independence and diversity on the Board remains a key priority of the Group.

In line with best practice requirements of the UK Corporate Governance Code, during the year, the Board reviewed the balance of skills, knowledge, experience, independence and diversity and Independent Non-executive Director Board and Board Committee roles.

Following the resignation of Ms Natalie Polishuk, on an interim basis:

- Fiona MacAulay was appointed as Chair of the Health, Safety, Environment and Community Committee with effect from 12 January 2025.
- Fiona MacAulay was appointed as a member of the Audit Committee on 12 January 2025.

For further details see pages 158 to 162 of the Nominations Committee Report.

GOVERNANCE AND RISK

At each of its scheduled meetings, the Board considered any updates to the principal and emerging risks of the Group, and in particular during 2025 considered the new risks facing the Group as a result of the ongoing Russian invasion, the withholding of VAT refunds by Ukrainian tax authorities, the potential nationalisation of assets of the Group in Ukraine and also changes to other country-related risks. For further details, see pages 102 to 115 of the Strategic Report.

The Board is supported by the Executive Committee, which meets approximately monthly. All information submitted to the Board by management is reviewed and approved by the Executive Committee prior to submission.

CODE OF CONDUCT

Our Code of Conduct, which underpins our shared values and culture and establishes expected behaviours and standard of ethics that we require all employees to display, was reviewed and approved by the Board during the year.

MODERN SLAVERY ACT STATEMENT

The Group's Modern Slavery Act Statement for the year ended 31 December 2025 is available at www.ferrexpo.com.

EXECUTIVE APPOINTMENTS AND SUCCESSION PLANNING

There were no executive appointments during the year.

For further details see page 160 of the Nominations Committee Report.

Other matters discussed were:

- oral reports from the Chair of Board Committee meetings held before the Board meeting;
- diversity and inclusion;
- internal succession planning – talent review;
- succession planning for Non-executive Director recruitment and appointments;
- review of agenda and approval of minutes from previous Board meeting and note Board Committee minutes;
- interactions with auditors;
- Interim Executive Chair's report including production and operations, iron ore market conditions, and updates on the Russian invasion of Ukraine and the position in Ukraine;
- logistics update;
- update on DR growth markets;
- Chief Financial Officer's report including status vs. budget, forecasts, cash flow position, and funding update;
- related party matters (including Directors' interests/conflicts);
- investor relations report (including shareholder feedback);
- strategy, business plan and budget; formal risk review;
- compliance matters;
- HSEC Committee matters, including Health and Safety, carbon reduction and community spending; and
- Board refreshment, succession planning, Director independence and Committee composition.

Matters reviewed as required included:

- the Group's continued response to the Russian invasion of Ukraine and actions taken to protect the Group and its workforce;
- review of half-year and annual results, going concern and viability, investor presentations;
- geopolitical matters;
- internal review of the performance of the Board, Interim Executive Chair, Directors and Company Secretary;
- review of the 2025 AGM statement, and proxy agency comments and recommendations;
- review of the GM statement, and proxy agency comments and recommendations;

- annual review of bank relationships with the Group within and outside Ukraine;
- annual review of the Treasury Policy;
- approval of the updated Bribery, Corruption and Fraud policy;
- approval of the outline Fraud Prevention Framework Plan; and
- the CSR budget.

During 2025, the Board also held sessions at which the relevant executive heads of department led detailed presentations on operations, finance, HR and management succession planning, sales and marketing, investor relations and communications.

BOARD VIRTUAL SITE VISIT AND STRATEGY DAY

Due to travel restrictions resulting from the Russian invasion of Ukraine, the Board was unable to conduct the planned visit of the Group's operations in Horishni Plavni, Ukraine. The alternative arrangement was a Board virtual site visit and Strategy Day.

The Board received a progress update on actions taken from 2024 and noted the achievements and completion of all nine actions during the year.

The executive management were provided with three scenarios upon which to base their strategy reports:

- Scenario 1, Downside planning;
- Scenario 2, Base planning; and
- Scenario 3, Upside planning.

The Board received an update on forecast results for the remainder of 2025 followed by presentations from executive management (FPM and FYM operations, Sales and Marketing, Human Resources, Capital Expenditure allocation and Finance) covering each of the above scenarios and on the following:

- expected results for 2025 together with financial models for each scenario;
- Market overview and 2025 forecast, short-term pricing 2025 to 2026, pellet supply, markets, freight management and alternative logistics;
- FBM Mining licence, legislation, licence extension, licence area and land reductions together with land refusal and staff reduction;
- Investor relations, funding opportunities and capital raising, corporate communications and public affairs;
- Finance – 2026 financial models for each of the above scenarios;
- Human resources – actions to support each scenario;
- Assessment of Risks for 2026 and ranked according to probability and impact.

BOARD LEADERSHIP CONTINUED

All matters discussed aligned with the Ferrexpo strategic pillars: Health and Safety, Financial Strength, Technology and Innovation, Product Quality, Growth and Licence to Operate.

The actions from the Strategy Day were collated and disseminated to the relevant executives for execution a few days after the Strategy Day.

POST 2025 AGM ENGAGEMENT

During the year, we consulted with shareholders in person and in writing on a number of important corporate

governance issues, three of which were following significant votes against Resolutions 8, 10 and 11 at the 2025 AGM (re-election of Vitalii Lisovenko, to authorise the directors to allot shares and to empower the directors to disapply pre-emption rights). Based on an analysis of the voting at the 2025 AGM and the feedback received, the Board understands that the votes against Vitalii Lisovenko's re-election were primarily from smaller shareholders and their votes were in line with AGM proxy advisor(s) recommendations, which in part related to historic matters concerning an internal review that was concluded in 2019.

The votes against resolutions 10 and 11 at the 2025 AGM were primarily as a result of the Company's largest shareholder not wanting to incur further dilution to its voting interest in the Company. The Company has during the year continued to engage with representatives of its largest shareholder in the ordinary course on a range of issues.

There were no significant votes against any of the resolutions proposed at the 2026 AGM, which were all passed by the requisite majority.

Our culture and values

The Board recognises that culture is a critical foundation for the long-term success of the Group. It shapes how the Group's purpose, values and strategy are translated into day-to-day behaviours, decision-making and performance across the organisation. The Board believes that a strong and healthy culture supports the delivery of the Group's strategic priorities, reinforces high standards of conduct and accountability, and helps create sustainable value for shareholders and other stakeholders.

The Group's purpose and Five Values underpin the culture the Board seeks to promote. Together, they provide the framework within which colleagues operate, collaborate and deliver the Group's objectives. The Board considers that maintaining a culture which promotes safety, integrity, responsibility, performance and continuous improvement is essential to building a resilient and sustainable business.

 **Further information on the Group's Values is set out in Our People on page 22 of the Strategic Report.**

WHY IS CULTURE IMPORTANT TO THE BOARD AND HOW DOES IT HELP ACHIEVE OUR GOALS?

The Board considers culture to be integral to the effective delivery of the Group's strategy. As a business operating in a complex, heavy industrial environment, the Group's long-term success depends on the quality, capability and commitment of its people, and on a culture that supports safe operations, disciplined execution, collaboration and responsible decision-making.



Greg Nortje
Group Chief Human Resources Officer

The Group's workforce, comprising approximately 8,000 employees and contractors, is central to the delivery of safe, reliable and efficient production. The Board recognises that the knowledge, experience and engagement of the workforce are key strengths of the business. The stability provided by a significant proportion of employees with long service also supports operational continuity, preserves institutional knowledge and contributes to the development pipeline of future talent for the Group.

The Board believes that a strong culture helps the Group achieve its goals by aligning colleagues around a shared purpose, embedding expected behaviours and supporting a consistent focus on safety, performance and sustainability. The Group continues to invest in training and development, including through its dedicated onsite training centre, to strengthen capability, reinforce standards and support a culture of continuous learning and improvement. In the Board's view, this investment in people and culture is an important enabler of operational resilience and long-term value creation.

HOW DOES THE BOARD FOSTER A CULTURE ALIGNED WITH OUR PURPOSE, VALUES AND STRATEGY ACROSS THE ORGANISATION?

The Board is responsible for setting the tone from the top and for promoting a culture that is aligned with the Group's purpose, values and strategy. In discharging this responsibility, the Board seeks to ensure that the behaviours expected across the organisation are clear, consistently communicated and reflected in the way the Group is led and managed.

Ferrexpo's purpose — to deliver value to stakeholders by producing and marketing premium iron ore products in a socially responsible and sustainable manner — provides the overarching context for the Group's strategy and culture. The Group's Five Values support this framework and are intended to guide behaviours, decision-making and ways of working across the business.

The Board fosters this culture through its oversight of strategy, leadership, succession, talent development, health and safety, and broader workforce matters. It also considers whether the Group's governance framework, policies, controls and management processes support the behaviours and standards it expects. Through regular engagement with management and directly with employees, the Board seeks to ensure that the desired culture is embedded throughout the organisation and remains aligned with the Group's strategic priorities.

WHAT DOES THE BOARD DO TO ASSESS AND MONITOR CULTURE?

The Board recognises that culture must be actively monitored and assessed to ensure that it remains aligned with the Group's purpose, values and strategy. Oversight of culture forms part of the Board's wider responsibilities in relation to the long-term sustainability of the business, effective risk management and the maintenance of a strong governance framework.

The Board monitors culture through a range of qualitative and quantitative indicators. These include regular reports from management, workforce listening and engagement feedback, health and safety metrics, employee retention and turnover data, training and development activity, and reports relating to whistleblowing and other speak-up mechanisms. Together, these sources assist the Board in forming a view as to whether the Group's desired culture is being embedded in practice.

In reviewing this information, the Board considers whether behaviours across the organisation are consistent with the Group's Values, whether the culture supports an effective control environment and whether colleagues feel able to speak up, contribute and develop. This enables the Board to identify areas of strength, consider where further action may be required and continue to promote a culture that supports the Group's strategic objectives and long-term success.

What our investors ask us most

How are end markets performing?



End markets remained mixed in 2025. Global steel production fell 2% YoY, with weak demand and high Chinese exports pressuring steelmakers, particularly in Europe. Iron ore prices were more resilient on tight inventories and expected Chinese stimulus. Pellet markets weakened, with Atlantic premia down 24%, while premium concentrate demand was stronger, supporting sales. Looking ahead, the outlook remains balanced: higher iron ore supply in 2026 may weigh on prices, but China policy support and EU trade protection could support demand in Ferrexpo's core markets.

What is your strategy to expand market reach?



Our strategy is to broaden our premium product offering, diversify the customer base and expand geographically. In 2025, continued access to Ukrainian Black Sea ports helped us increase sales into Asia and improve seaborne competitiveness.

We also added five new customers and expanded sales in growth markets, and are now positioned as a supplier of a broader range of premium products. This gives us greater flexibility to place product where margins are strongest and reduces reliance on any single market, customer segment or product premium.

How have volumes and pricing responded to macroeconomic volatility?



Despite macro volatility, Ferrexpo sold more than 6.5 million tonnes in 2025, including 2.9 million tonnes of premium concentrates, reflecting a deliberate pivot towards stronger-margin opportunities. This was driven by weaker pellet premia and stronger concentrate demand, with flexible product mix and logistics helping protect value.

Pricing remained volatile, making our ability to adjust mix, reroute logistics and stay close to customers critical.

What are your priorities for capital allocation?



Our capital allocation priorities are to preserve liquidity, maintain safe, stable operations, and invest selectively to strengthen resilience and long-term value, while maintaining strict financial discipline and retaining commercial flexibility.

We remain focused on supporting core operations, protecting logistics capability, and targeted investments linked to premium products, efficiency, and long-term competitiveness, especially where it enhances our ability to respond to changing market conditions.

Board performance evaluation

Under the UK Corporate Governance Code, the Board is required to undertake annually a formal and rigorous review of its own performance and that of its Committees and individual Directors. This review should be externally facilitated every three years.

ACTIONS FROM THE REVIEW OF 2024 EXTERNAL BOARD PERFORMANCE

The Board and its Committees consider their effectiveness regularly and the outcome and findings from the 2024 external review were progressed throughout the year with the following actions taken:

Board Performance Review cycle



- 2023 Internal
- 2024 External
- 2025 Internal

Action to be taken	Actions taken
Board composition Proceed with plans to appoint a new Independent Non-executive Director ideally with Finance and accountancy skills to add weight to the Audit Committee and, when the war in Ukraine ends, continue the search for an Independent Non-executive Director to rebalance the gender and ethnicity profile of the Board.	The Nominations Committee established detailed criteria for the role and kept these under review throughout the process, refining requirements as the Board's priorities evolved in response to the continuing impact of the war in Ukraine and the Group's changing needs. Particular emphasis was placed on candidates with strong financial expertise, together with deep sector knowledge and practical geopolitical experience in Ukraine, recognising that effective oversight in the current environment requires a clear understanding of geopolitical dynamics, regulatory complexity and sector-specific risks. A director with this specialised experience would further strengthen the Board's ability to support the Company's long-term resilience and stability. The search process identified several potential candidates who were interviewed by the Nominations Committee, however, none fully met the evolving criteria for appointment. As the search progressed, the Nominations Committee refined the desired candidate profile to reflect changing operating conditions and the Board's shifting priorities. While the Board remains committed to filling the vacancy, it considers it prudent, if necessary, to pause or defer the appointment until operating conditions stabilise, recognising that an end to the war could broaden the pool of candidates able to meet the Board's requirements and support its long-term effectiveness.
Balanced skill set Continue to ensure that Non-executive Directors bring the right skill set and to balance the workload of the Board Committees, planning early for future skills and experience for Board succession.	In 2025, the Nominations Committee undertook a comprehensive review of the Board's skills matrix to ensure it remains relevant and aligned with the Company's evolving needs, and to support both the recruitment and ongoing development of Board directors (see the Board Skills Matrix on page 131). This review confirmed the importance of strengthening expertise in areas such as sustainability, legal and regulatory matters, cyber security, and relevant sector and geopolitical experience, reflecting the Group's operating environment. Maintaining an appropriate balance of skills and experience across the Board remains a priority in supporting effective oversight and the delivery of the Company's long-term strategy.
Succession planning Agree criteria and timing of a search for a CEO, so the interim Executive Chair can step back from the day-to-day running of the business. Continue with sound succession planning within the business and senior management including diversity requirements. Introduce more clearly defined development opportunities and career pathways, with the aim of creating a talent pipeline for those with the capacity to rise to senior leadership positions in the future.	The Nominations Committee carefully evaluated the timing of a formal CEO search and determined that the ongoing war in Ukraine continues to present significant obstacles to attracting top-tier external candidates. Given the complexities of operating in such an environment, the Nominations Committee considered that postponing the search until the war ends remains the most prudent course of action. The number of women in leadership increased and has now met the Board's stated target of 25% women in leadership roles ahead of the original 2030 timeframe. The Board considers this to be a positive milestone and expects momentum to continue into 2026, notwithstanding the ongoing conflict in Ukraine. The Board intends to set a new aspirational target during 2026 to be achieved by 2030, ensuring continued focus on achieving best-in-class gender balance across the Group. During 2025, the Nominations Committee reviewed the talent pipeline and succession plans for key business roles, ensuring development actions address critical capability gaps and that succession coverage is in place for priority corporate and operational positions. Recognising that the ongoing war continues to create challenges to attract and retain skilled personnel, the Group Chief Human Resources Officer was tasked to accelerate sustaining targeted succession initiatives to strengthen leadership continuity and support ongoing business stability and growth.
Enhance workforce engagement Explore different ways to further enhance workforce engagement and bring findings to the Boardroom and to monitor culture and values in the organisation.	Mr Lisovenko, former Non-executive Director designate for workforce engagement, being resident in Ukraine, visited the workforce in October 2025 over two days and provided feedback at the scheduled Board meeting in November 2025. The different ways to enhance workforce engagement include; employee townhall meetings, employee meetings in smaller groups, weekly meetings with managers, print, digital channels and social media are used for internal and external communications, including the Company newspaper "The Miner". Towards the end of 2025, a second Employee Engagement Survey was undertaken using the same new platform as in 2024. The response rate of 61% represented a good cross-section of business demographics, although it was lower than the 62% in 2024. The Group's overall engagement score fell to 54% from 73% in 2024 due to more challenging working and salary conditions. The survey provided the data needed to make recommendations to the Board to improve working conditions for the workforce, cognisant of the constraints upon the business due to lower liquidity.

Action to be taken	Actions taken
Board efficiency and processes Plan agenda to allow time for the most important topics. Consider wash-up session on what went well and what could have been done better.	Agenda planning was re-visited again with the Interim Executive Chair to allow more time for the most important topics and to facilitate deep dives on certain matters, which was well received by the Board. Wash-up sessions between the Executive Chair and Group Company Secretary were held and used as a tool to fine-tune agenda planning, prioritisation and time allocation.
Corporate resourcing Ensure bolstered resourcing for Secretariat	The search process conducted in early 2025 identified several potential candidates who were interviewed, however, none fully met the criteria for appointment.

2025 INTERNAL BOARD PERFORMANCE REVIEW

During 2025, the annual performance review of the Board and its Committees was carried out internally using a questionnaire led by the Group Company Secretary. The purpose was to build on the recommendations and areas identified from the externally facilitated review in 2024.

The review process involved the completion of questionnaires by the Board and Committee members, with responses collated anonymously and analysed by Clare Chalmers Ltd together with the Group Company Secretary.

The thematic review focus areas included:

- Board composition, including interim Executive Chair performance following transition, succession, training and induction, leadership, dynamics and decision-making
- Board oversight: Strategy, performance, risk, people and culture
- Stakeholders, employee engagement, shareholders, customers and suppliers
- Board efficiency, planning, agendas, minutes and secretariat support
- The effectiveness of Board Committees

Preparation, questionnaire design and content, interviews and reporting:

PREPARATION	• Interim Executive Chair and Group Company Secretary reviewed the 2024 recommendations and outcome to the scene for 2025. • Interim Executive Chair and Group Company Secretary held a scoping meeting to understand context and priorities. • Review of Board and Board Committee papers and other relevant documentation, including Strategy papers and the Board and Board Committee Forward Agenda Planner to identify key areas of focus. • Individual interviews were scheduled with Senior Independent Director and all the Non-executive Directors.
QUESTIONNAIRE DESIGN AND CONTENT	A comprehensive questionnaire was designed covering: • Board: Constitution and Commitment, Leadership, interim Executive Chair transition, Efficiency of Board Process, Board's role, Development, Stakeholders, of which there were 40 questions. • Audit Committee: Constitution and Commitment, Leadership, Efficiency of Committee Process, Committee's role, Relationships, Development, of which there were 21 questions. • Remuneration Committee: Constitution and Commitment, Leadership, Efficiency of Committee Process, Committee's role, Development, of which there were 20 questions. • Progress/Achievement of 2024 external review recommendations, of which there were 15 questions.
FORMAL INTERVIEWS	• Led by the Senior Independent Director, the other Directors also met without the interim Executive Chair present to evaluate the interim Executive Chair's performance and separately, the Senior Independent Director evaluated the performance of the Directors.
REPORTING	• The completed questionnaires were collated anonymously and analysed externally by Clare Chalmers Ltd together with the Group Company Secretary. • Key findings and recommendations were shared with the interim Executive Chair, Senior Independent Director and Group Company Secretary, and a draft report was prepared for review. • The report was circulated to the Board and the feedback and comments from the questionnaires were discussed at a Board meeting, before deciding which recommendations to take forward.

The review also included feedback on individual performance. This informed the annual process of individual Director review, led by the Senior Independent Director in place of the interim Executive Chair, which included one-to-one discussions with each Director on their performance, contribution and any additional training and development needs.

The Senior Independent Director led the annual review of the interim Executive Chair, holding a one-to-one discussion to provide feedback on his performance. This was informed by a closed session of the Non-executive Directors, excluding the Executive Chair, led by the Senior Independent Director.

The Senior Independent Director also engaged the Executive Director/CFO and Group Company Secretary to obtain their views on the interim Executive Chair's performance.

BOARD PERFORMANCE REVIEW CONTINUED

FEEDBACK AND REPORT FINDINGS

The internal Board Performance Review was circulated to the Board, including the feedback and comments from the questionnaires which were discussed at a Board meeting, before deciding which recommendations to take forward. Led by the Senior Independent Director, the other Directors also met without the Executive Chair present to evaluate the Executive Chair's performance and, separately, the Executive Chair evaluated the performance of the Directors.

The Board acknowledged the impact of the war, both strategic and operational and therefore the Board's performance should be considered in the light of the very extreme circumstances under which the business is operating. Unsurprisingly, the Board has been unable to act as forcefully as it might otherwise have done on some of the suggestions made in the earlier reviews of its effectiveness, but nonetheless, despite the challenges associated with the war in Ukraine, some progress has been made during 2025 as detailed above.

The Board has considered the findings of the review and, overall, the review concluded that although the Board is relatively small, given its size the Board is well-balanced in terms of Board dynamics and continues to build on its strengths, among them capable and highly experienced Independent Non-executive Directors who provide a good balance of support and challenge; committed Executives who are doing everything in their power to keep the business running smoothly; and a strong sense of common purpose and determination to do the best for organisation and its employees, come what may.

The Board is well led by a proactive and fully engaged interim Executive Chair. The environment in the boardroom encourages appropriate challenge and open debate with no single voice dominating discussions. The Board and its Committees are well chaired and run by committed independent Non-executive Directors.

The Board recognise the need to appoint a Chief Executive Officer and additional independent Non-executive Directors to re-balance the Board's composition to make it more diverse in terms of gender and ethnicity, but equally acknowledge the difficulty to do so during the war and the unique circumstances the Company is facing. The Board will continue to consider and reflect on its composition and what may be required for future Non-executive Director hires to include future roles, skills and Board diversity including gender and ethnicity.

In response to the main recommendations of the review report, the Board has agreed that the following key areas for focus in 2026:

KEY AREAS FOR FOCUS IN 2026

Area	Action to be taken
Board composition	Proceed with plans to appoint a new Independent Non-executive Director ideally with Finance and accountancy skills to add weight to the Audit Committee and, when the war in Ukraine ends, continue the search for an Independent Non-executive Director to rebalance the gender and ethnicity profile of the Board.
Succession planning	- Agree criteria and timing of a search for a CEO, so the interim Executive Chair can step back from the day-to-day running of the business. - Continue with sound succession planning within the business and senior management including diversity requirements. - Introduce more clearly defined development opportunities and career pathways, with the aim of creating a talent pipeline for those with the capacity to rise to senior leadership positions in the future.
Balanced skill set	Continue to ensure that Non-executive Directors bring the right skill set and to balance the workload of the Board Committees, planning early for future skills and experience for Board succession.
Enhance workforce engagement	Continue to explore different ways to further enhance workforce engagement and bring findings into the Boardroom and to monitor culture and values in the organisation.
Board efficiency and processes	Continue to plan the agenda, allowing appropriate time for the most important topics.
Corporate resourcing	Ensure bolstered resourcing for Secretariat.

TRAINING AND PROFESSIONAL DEVELOPMENT

The interim Executive Chair is responsible for agreeing training and development requirements with each Director to ensure they have the necessary skills and knowledge to continue to contribute effectively to the Board's discussions. All Directors receive updates given to the Board as a whole on changes and proposed changes in laws and regulations affecting the Group, as and when necessary. The Group Company Secretary also provides regular updates to the Board and its Committees on regulatory and corporate governance matters. The aim of the training sessions is to refresh and expand the Board's knowledge and skills.

Usually, site visits are held for the whole Board annually, so as to ensure that all Directors are familiar with the Group's operations, and Directors may also visit the operations of the Group independently to the extent they feel this is necessary. Due to the ongoing conflict in Ukraine, the physical Board site visit was cancelled and replaced with a virtual site visit, as set out on page 139.

All Directors may take independent professional advice at the expense of the Company in the furtherance of their duties.

INDUCTION

Following appointment, all Directors are advised of their duties, responsibilities and liabilities as a director of a public listed company. In addition, an appropriate induction programme is provided to each Director upon appointment, taking into consideration the individual qualifications, experience and knowledge of the Director.

Induction training includes meeting senior executives of the Executive Committee, a detailed and structured site visit (or alternative arrangements, where required as a result of the ongoing conflict in Ukraine), meeting the Group Company Secretary, necessary training on corporate governance aspects, and receiving various key Company documentation and reports.

“

The effective contribution of each Director is supported by a comprehensive induction and continuing professional development.

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Stuart Brown
Chair of the Audit Committee

Key activities of the Committee in 2025

Key activities of the Audit Committee during 2025 are set out below.

February

- Received an update on the situation in Ukraine.
- Reviewed and challenged assumptions used for the going concern and viability assessments and impairment testing, including those used for the sensitivities and reverse stress tests.
- Received an update on the progress of the 2024 audit and analysed further work required.
- Considered the draft Annual Report and Accounts for 2024.
- Reviewed the questionnaire to be used to assess the external auditor's performance.
- Reviewed Compliance Report including whistleblowing cases.
- Reviewed the Group's risk matrix and register.
- Reviewed an update on the Directors' Interests list.
- Noted no further developments on Audit Reform.
- Reviewed the Audit Committee Minimum Standards in readiness for confirmation and disclosure.
- Held a private meeting with the auditors.

March

- Received an update on the situation in Ukraine.
- Reviewed the 2024 Annual Report and Accounts.
- Received the report of the auditors to the Committee.
- Reviewed the letter of representation.
- Reviewed the Audit Opinion.
- Reviewed the auditor's Letter of Independence.
- Reviewed the outcome of the going concern assessment and impairment test.
- Assessed specifically the impact of events after the reporting period on the going concern assessment and impairment test and the adequacy of disclosures made.
- Considered the going concern and viability statement.
- Discussed identified material uncertainties and assessment of mitigating actions.
- Reviewed the Audit Committee Report.
- Reviewed the auditor's 2024 performance (Statutory Audit Service Order) – analysis of scores.
- Recommended the re-appointment of Auditor at the 2025 Annual General Meeting.
- Noted no further developments on Audit Reform.
- Reviewed the Compliance Report, including whistleblowing cases.
- Reviewed the Group's risk matrix and register.
- Held a private meeting with the auditors.

Membership and meeting attendance

Committee member	Scheduled meetings	
	Eligible to attend	Attended
Stuart Brown	5	5
Fiona MacAulay	5	5
Vitalii Lisovenko	5	5



Read the Committee's full objectives and responsibilities online:
www.ferrexpo.com/about-ferrexpo/corporate-governance/board-committees/

May

- Received an update on 2024 audit follow up matters, including management letter points and management's comments thereon.
- Reviewed the auditor's 2024 performance (Statutory Audit Service Order), including detailed analysis of final scores.
- Reviewed 2025 audit planning, including key dates and preliminary audit plan.
- Reviewed an update on 2024 recommendations from internal audit.
- Noted no further developments on Audit Reform.
- Received an update on Cyber Security developments and IT Security matters.
- Received an update on ESG metrics quality assurance for future CSRD compliance and reporting requirements.
- Noted notification of auditor resignation following transition to a new audit entity within the same firm of auditors.
- Received a progress update following a review of the Risk Register to re-map principal risks on the risk assurance map.
- Reviewed a Compliance Report, including whistleblowing cases.
- Reviewed the Group's risk matrix and register.
- Received a progress update on implementation plans for Provision 29 of the 2024 Corporate Governance Code.
- Reviewed an update on Directors' Interests list.
- Received a detailed update on legal cases.
- Held a private meeting with the auditors.

July

- Reviewed presentation of Group's result in half-year accounts.
- Reviewed key assumptions used and outcome of the going concern assessment and impairment test.
- Considered the going concern statement.
- Received auditor's Review Report to the Audit Committee.
- Noted no further developments on Audit Reform.
- Reviewed the Group's risk matrix and register.
- Reviewed the Directors' Interests list.
- Reviewed the Compliance Report, including whistleblowing cases.
- Reviewed the Audit Committee terms of reference.
- Held a private meeting with the auditors.

November

- Considered the Group's work plan for the 2025 year end closing.
- Considered a report from the external auditors on progress of the preliminary audit for 2024.
- Reviewed an external audit planning report.
- Received an update on the planned process for the viability and going concern assessment.
- Approved the appointment of the Head of Internal Audit.
- Received a progress update on the 2025 internal audit matters and recommendations.
- Reviewed the preliminary internal audit plan for 2026.
- Received a progress update on the tender process and selection of platform provider for internal control system pursuant to provision 29 of the 2024 Corporate Governance Code.
- Reviewed the Audit Committee Minimum Standards in readiness for confirmation and disclosure.
- Noted no further developments on Audit Reform.
- Reviewed a Compliance Report, including whistleblowing cases.
- Reviewed the Directors' Interests list.
- Reviewed the Group's risk matrix and register.
- Reviewed the Audit Committee 2026 Forward Planner.
- Reviewed regulatory horizon for Climate Change and ESG reporting
- Held a private meeting with the auditors.

On behalf of the Board, I am pleased to present the Audit Committee Report for the financial year ending 31 December 2025. The aim of this report is to provide shareholders with insight into key areas that have been considered, how the Committee has discharged its responsibilities and lastly to provide assurance on the integrity of the 2025 Annual Report and Accounts.

The situation for the Group during the financial year 2025 continued to be strongly influenced by the ongoing war in Ukraine, which also led to a significantly increased involvement of the Committee to timely identify and analyse the additional risks in this unprecedented period for the Group.

The matters requiring increased involvement of the Committee were primarily the assessment of the Group's going concern and viability in light of the existing material uncertainties, but also the considerations required when preparing the Group's impairment test for its non-current operating assets as well as the escalation of a number of legal matters, including events after the reporting period, to be considered as a result of the current political environment in Ukraine.

The Committee agenda focuses on audit, compliance and risk management within the Group, working closely with finance, and management as well as with internal and external auditors. During the year, the Committee has robustly assessed the principal and emerging risks facing the business. The Committee throughout the year took into account the regular financial and internal audit reports made available to the Board, as well as regularly discussing issues with management and the external auditors.

As already disclosed for the Group Annual Report and Accounts for the previous financial years, a critical area of focus for the Committee has been the going concern assessment itself and consequently the consideration of the preparation of the consolidated accounts on a going concern basis, considering the ongoing war in Ukraine and the circumstances under which the Group has to operate, including the current political environment and the legal system in Ukraine. As at the date of the approval of these Consolidated Financial Statements, the war in Ukraine is still ongoing. Although the Group continued to demonstrate a high level of commitment and resilience enabling it to operate at a steady, but at a much lower capacity, the war and legal actions against the Group continue to pose a significant threat to the Group's mining, processing and logistics operations within Ukraine and represents a material uncertainty in terms of the Group's ability to continue as a going concern.

In addition to the war-related material uncertainty, the Group is also exposed to the risks associated with operating in challenging environment in Ukraine, which may or may not be exacerbated by the war and/or the current circumstances facing Mr Zhevago (see Ukraine country risk on pages 103 to 106). As a result, the Group is exposed to a number of risk areas that are heightened compared to those expected in a developed economy, such as an environment of political, fiscal and legal uncertainties, which represents another material uncertainty as at the date of the approval of these Consolidated Financial Statements. As for the year-end 2025, the Committee had to address and assess the risks related to a contested sureties claim in the amount of UAH4,727 million (US\$112 million as at 31 December 2025) and a claim in relation to an accused illegal mining and selling of subsoil (minerals other than iron ore) in the amount of UAH157 billion (approximately US\$3.7 billion as at 31 December 2025). An unfavourable outcome in these two cases might affect the Group's ability to continue as a going concern. In addition to the claim in relation to the accused illegal mining and selling of subsoil, there are a number of events after the reporting period to be assessed by the management and the Committee.

Further to that, as disclosed in detail in the Group's 2025 Interim Accounts, the VAT refunds to the Group's subsidiaries in Ukraine have been suspended by the local tax authorities as a result of personal sanctions imposed on Mr Zhevago, increasing the pressure on the Group's cash flow generation and profitability, requiring an adjustment of its production plan. See Note 2 Basis of preparation for details of significant judgement to be made in terms of the Group's ability to continue as a going concern due to the existing material uncertainties. Further information is also provided Note 30 Commitments, contingencies and legal disputes.

As a result of the ongoing war, the local audit team in Ukraine could not be on-site and the required audit procedures have been performed remotely as it was done already for the year-end audits since the beginning of the war in Ukraine. In terms of the audits on Group level, the team of our external auditor MHA was on-site at our office in Baar and was able to complete its annual audit procedures for the preliminary and year-end audits as planned. Likewise, the Committee has been able to physically meet with both management and the audit partners of MHA involved in the audit. The current situation in Ukraine required additional work from our external auditors, primarily in terms of the material uncertainty surrounding the Group's going concern and viability assessment mainly in light of the ongoing war, but also in relation to the escalation of the number of legal proceedings and disputes, including a number of events after the reporting period, mainly due to current political environment in Ukraine, which is also affected by continued Martial Law in Ukraine.

During the year, the Committee reviewed evolving corporate governance and reporting requirements, particularly relating to ESG assurance and non-financial reporting. Additionally, time was spent preparing for the long-awaited corporate governance changes.

Audit reform has been a standing agenda item for a long time. Although the Government withdrew the secondary legislation establishing some of these arrangements, they remain committed to plans to establish ARGAs (the Audit, Reporting and Governance Authority) as successor to the Financial Reporting Council ("FRC"). Accordingly, Audit reform will remain a standing agenda item for 2026.

The Committee also continued to consider the evolving risk management and internal control landscape due to enhancements made to reporting requirements, particularly the future impact of the updated Provision 29 of the UK Corporate Governance Code.

Despite the Group's current very difficult situation due to the war in Ukraine, which represents an additional significant burden for the Group's management and employees, the Group has pushed ahead with the process of implementing the necessary additional requirements relating to Provision 29 in 2025. Due to the absence of a Head of Control at Group level, the project is being managed by Group Finance and is therefore also responsible for its implementation. The Audit Committee was regularly informed of progress in 2025 and involved in the necessary key decisions that were required to be made.

However, it should be noted that the ongoing war in Ukraine has affected the progress of the project, as the resources of the local teams in Ukraine must also be taken into account. It has therefore been decided that the project will primarily be driven forward at Group level for the time being. Nevertheless, the local teams in the various jurisdictions, including Ukraine, will be responsible for carrying out the defined material controls.

In order to better define and manage this important process, the Group has decided to implement a new GRC tool to ensure the smooth implementation and running of the required process to address the new requirements under Provision 29.

As at the date of approval of these Consolidated Financial Statements, the implementation of the GRC tool is complete, and local teams are currently being trained. Considering the time constraints and the situation in Ukraine, it is currently not yet sure whether it is possible to have a dry-run as at 30 June 2026. However, with or without dry-run, management is confident that the necessary processes will be in place by 31 December 2026 as required for the Directors' declaration on the effectiveness of the Group's material controls.

Enhance TCFD requirements continued to be a focus for the Committee, with Group management supported by environmental consultants Ricardo to complete the expanded 2025 disclosures.

The HSEC Committee decided not to run a 2025 Climate Change Report as the war in Ukraine had continued, there was no material change in the situation on the ground to warrant updating the report as the previous scenario analysis and potential pathways to Net Zero iron ore production published in December 2023 still stand.

The TCFDs can be found from pages 80 to 99 of the Strategic Report of the 2025 Annual Report.

The Committee has overall responsibility for approving the disclosures made under the climate related UK Listing Rule 6.6.6R(8). The Committee has continued to receive updates during the year on climate related disclosures and reporting. Further information on our TCFD disclosures can be found on page 80. For the Annual Report and Accounts of the previous years, we also engaged our auditors to perform certain procedures on certain non-financial reporting criteria under a limited assurance engagement in accordance with the requirements of the International Standard on Assurance Engagements ISAE (UK) 3000 Assurance Engagements. For the 2025 Annual Report and Accounts, in view of the Group's difficult financial situation, it was decided to opt out of the limited assurance engagement.

Detailed below is further information on the role, structure and key activities of the Committee and significant judgements it has considered and assessed in 2025. I hope this additional information about the Committee and its activities is useful.

The annual Board Effectiveness evaluation was conducted externally this year, which assessed our performance as a Committee. I am pleased that this concluded that the Committee operates effectively and that the Board takes assurance from the quality of our work.

I would like to thank the members of the Committee, the Management team, Internal Audit and MHA for their continued commitment throughout the year, for their robust challenges and transparent discussions that take place during the meetings and for the contribution they all provide in support of the Committee's work.

Stuart Brown
Chair of the Audit Committee
3 September 2026

“

Focused on management’s going concern assessment and a rigorous evaluation of the material uncertainties arising from the ongoing war and legal disputes in Ukraine.

”

ROLE OF THE COMMITTEE

The Committee’s objectives and responsibilities are set out in its terms of reference which are available to view on the Company’s website at www.ferrexpo.com. The Committee’s main responsibilities are:

- Monitoring the integrity of the annual and interim financial statements and the accompanying reports to shareholders.
- Overseeing completion of the Group’s going concern and viability assessment and statements and the conclusions thereon.
- Overseeing the Group’s relations with the external auditor, including an assessment of their independence, effectiveness and objectivity.
- Making recommendations to the Board concerning the approval of the annual and interim financial statements.
- Reviewing and monitoring the adequacy and effectiveness of the Group’s risk management framework and internal control system as well as in terms of the disclosures on the Group’s Principal Risks as contained on pages 102 to 115.

- Approving the terms of reference of the internal audit function and assessing its effectiveness.
- Approving the internal audit plan and receiving regular reports from the Group’s Head of Internal Audit.
- Reviewing and monitoring the Group’s whistleblowing procedures and the Group’s systems and controls for the prevention of bribery and corruption.

During the year ended 31 December 2025, the Committee ensured that it has had oversight of all these areas listed above. The Board also asked the Committee to advise it as to whether the Annual Report and Accounts are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group’s position, performance, business model and strategy.

COMMITTEE MEMBERSHIP AND ATTENDANCE

On 11 January 2025, Natalie Polischuk resigned from the Board of Ferrexpo and as a member of the Audit Committee with immediate effect and Fiona MacAulay, Senior Independent Non-executive Director, was appointed as a member of the Audit Committee on an interim basis.

As at the year end, the Committee comprised three Independent Non-executive Directors:

- Stuart Brown (Chair of the Committee);
- Vitalii Lisovenko; and
- Fiona MacAulay.

In addition to the five meetings held in 2025, the Audit Committee has met once to date in 2026. All members of the Committee are considered to possess appropriate knowledge and skills relevant to the activities of the Group, and Stuart Brown has recent and relevant financial experience. See page 127 of the Corporate Governance section regarding his skills, expertise and contributions.

In addition to its members, other individuals and external advisers, and the Executive Chair of the Board, may be invited to attend meetings of the Committee at the request of the Committee Chair. Regular attendees at meetings include the Chief Financial Officer, Group Financial Controller, Group Company Secretary and audit partners of our external auditor MHA Audit Services LLP (“MHA”). The Committee has an opportunity to meet with the external auditors at the end of its scheduled meetings, without the Executive Directors or management being present. During the year, a private meeting with the external auditors was held after each scheduled meeting.

SIGNIFICANT ISSUES AND JUDGEMENTS

The significant issues and judgements considered by the Committee in respect of the 2025 Annual Report and Accounts are set out below:

Judgements/actions taken

GOING CONCERN CONSIDERATIONS

The situation in Ukraine remained unpredictably challenging throughout the financial year 2025, requiring a high degree of adaption and flexibility. The war in Ukraine is ongoing and the continued Russian attacks on the Ukrainian energy infrastructure have severely affected both the supply and price of power to the Group's operations, which had a negative impact on the Group's cash flow generation and profitability.

In addition to the challenges associated with the ongoing war, ongoing legal proceedings and fiscal decisions against the Group's subsidiaries in Ukraine affected the business operation of the Group. As disclosed in Note 35 of the 2024 Annual Report and Accounts, on 12 February 2025, the National Security and Defence Council of Ukraine imposed personal sanctions on Mr Zhevago but have not been imposed on any member of the Group. However, because of these sanctions against Mr Zhevago, the tax authorities in Ukraine refused to make VAT refunds to the Group's subsidiaries in Ukraine. Therefore, the Group had to adjust its production plan to minimise the impact of the suspended VAT refunds on the Group's liquidity, which also affected the possible sales to the Group's international customers and its cash flow generation.

The Group's net cash position decreased from US\$101 million at the beginning of the year to US\$47 million as at 31 December 2025. As at the date of the approval of this, the Group is in a net cash position of approximately US\$18 million with an available cash balance of approximately US\$26 million. In addition to the available cash balance, the Group has an outstanding trade receivable balance of approximately US\$6 million from its pellet and concentrate sales in July and August 2026, which are expected to be collected in the next months. As a result of afore-mentioned Russian attacks on the Ukrainian power generation and transmission infrastructure in November and December 2025, the supply of power to its operations has been temporarily restricted, resulting in a temporary interruption of production and a reduction in sales, which has had an adverse effect on the Group's cash balance and outstanding receivable balances at the approval date of these Consolidated Financial Statements.

In addition to the negative impact on the Group's available liquidity caused by the lower cash generation, this has also affected the carrying value of the Group's non-current operating assets, resulting in a total non-cash impairment loss of US\$154 million on the Group's non-current operating assets, which was to be recorded as at 30 June 2025 based on the Group's financial long-term model at this point time.

The challenging and unpredictable environment in which the Group has been operating since the beginning of the invasion and the ongoing war, whose duration and impact on the Group's activities in future periods are difficult to predict, continues to represent a material uncertainty in terms of the Group's ability to continue as a going concern.

The war-related material uncertainty is predominantly related to the need for constant power supply in Ukraine, which is impacted by continued Russian attacks on power generation and transmission infrastructure in Ukraine, which has, together with higher than expected prices for input material, especially if electricity is to be imported from EU countries, has had a severe impact on the Group's cash flow generation and profitability.

Furthermore, following intensified Russian attacks on port infrastructure and civil vessels in the Black Sea in July 2026, the logistics route via the ocean-going Black Sea ports in Ukraine is currently unavailable to the Group, which represents a further war-related material uncertainty in terms of the Group's cash flow generation and its ability to continue as a going concern.

In addition to the war related uncertainties, the Group is exposed to a number of risk areas that are heightened compared to those expected in a stable economy, such as an environment of political, fiscal and legal uncertainties, which represents another material uncertainty as at the date of the approval of these Consolidated Financial Statements and require a significant portion of critical judgements to be made by management. This is mainly in respect of a contested sureties claim in the amount of UAH4,727 million (US\$112 million as at 31 December 2025), as well as the connected opening of bankruptcy proceedings of the Group's major subsidiary in Ukraine, and a claim in the amount of UAH157 billion (approximately US\$3.7 billion as at 31 December 2025) in favour of the Ukrainian state related to alleged illegal mining and selling of subsoil (minerals other than iron ore). As mentioned above, the Ukrainian tax authorities suspended VAT refunds to the Group's subsidiaries in Ukraine, with VAT totalling US\$74 million not refunded as at 31 December 2025. For each suspended monthly VAT refund, the Group's subsidiaries filed claims to the court and the cases are currently heard by the different court instances in Ukraine. As at the time of approval of these Consolidated Financial Statements, the monthly VAT refunds, which are essential to the Group's business operations, had not yet been resumed, despite positive rulings in the first and second instances for some of the claimed monthly refunds. See Note 30 Commitments, contingencies and legal disputes to the Consolidated Financial Statements for further details.

Despite the challenging environment in which the Group has operated in recent years, the Group managed to maintain an available cash balance of over US\$100 million at the end of the previous financial years. Due to the suspension of VAT refunds in Ukraine, the situation continued to deteriorate and the Group's available cash reserves declined steadily during the financial year 2025, totalling US\$58 million as at 31 December 2025.

Judgements/actions taken

GOING CONCERN CONSIDERATIONS CONTINUED

The Audit Committee has reviewed:

- the key assumptions used for the Group's long-term model, which forms the basis for the management's going concern assessment and conclusion that a capital raise is required to support the Group's ability to continue as a going concern;
- the sensitivities prepared for reasonable adverse changes and available mitigating actions under control of the Group, if needed;
- the reverse stress tests performed for more severe adverse changes;
- management's assessment that, based on the Group's financial long-term model, a capital raise is required to support the Group's ability to continue as a going concern;
- management's assessment of the impact of the currently unavailable logistics route via the ocean-going Black Sea ports in Ukraine on the Group's cash flow generation and, as consequence, on the Group's going concern assessment and impairment test;
- the legal merits in terms of the ongoing legal disputes mentioned above and potential future actions available to protect the interests of the Group;
- management's assessment of the impact of the war and ongoing legal actions in Ukraine on the Group's going concern and viability; and
- management's assessment of an event after the reporting period with regard to open bankruptcy proceedings against FPM their treatment as adjusting or non-adjusting post balance sheet events from an accounting perspective.

The Committee concurs with management's conclusion that a material uncertainty in respect of the ongoing war and the legal disputes, including an event after the reporting period, still remains as some of the identified uncertainties are outside of Group Management's control.

Further to that, the base case of the Group's financial long-term model shows that the Group liquidity is only sufficient until at least mid-September 2026, despite the fact that the Group remains focused on managing its costs and optimising its sales mix. It is therefore the Directors' intention to raise gross proceeds of approximately US\$100 million by way of a conditional placing of Ordinary Shares to support the Group's working capital position and fund its ongoing operations.

The fundraising is conditional on all of the resolutions being passed by the shareholders of Ferrexpo plc. If the resolutions are not passed by the shareholders, or if any of the other conditions are not satisfied, the planned fundraising will not proceed, which will have a significant impact on the Group's ability to continue as a going concern, if no alternative funding can be secured within a reasonable amount of time. As the fundraising is expected to be completed subsequent to the approval of these Consolidated Financial Statements, the prospects of the fundraising represents a further material uncertainty, as to some extent outside of the Group's control.

See Note 2 Basis of preparation to the Consolidated Financial Statements and the Viability Statement on pages 116 to 118 for further information.

The Group's Principal Risks section on pages 103 to 106 provided further information on the Ukrainian country risk to which the Group is seriously exposed, including the conflict risk and the risks related to operating in a challenging environment in Ukraine.

IMPAIRMENT CONSIDERATIONS OF THE GROUP'S NON-CURRENT OPERATING ASSETS AS A RESULT OF THE ONGOING WAR (NOTE 13 TO THE CONSOLIDATED FINANCIAL STATEMENTS)

As at the date of the approval of these Consolidated Financial Statements, the war and legal disputes in Ukraine are still ongoing and the duration and impact is difficult to predict. During the financial year 2025, the Group continued to demonstrate resilience and flexibility from an operating perspective. The effects of the ongoing war, such as the impact of the Russian attacks on the power generation and transmission infrastructure in Ukraine, continues to affect the Group's cash flow generation. Further to that, because of the suspended VAT refunds in Ukraine, the Group had to adjust its production plan to mitigate the effect from VAT related working capital outflows and to minimise the impact on its available cash balance. The change to the production plan also affected the Group's expected cash flow generation for the years covered in the long-term model, which forms the basis of the Group's impairment testing.

A number of significant judgements and estimates are used when preparing the Group's financial long-term model, which are, together with the key assumptions used, reviewed by the Audit Committee. The Group's long-term model is based on management's best estimate of reasonably conservative key assumptions, which also take account of the current circumstances in which the Group has to operate.

The long-term model was updated based on management's current assumptions regarding possible production and sales volumes, taking into account the latest developments in Ukraine, realised prices, assumed costs for key inputs. The continued suspension of VAT refunds in connection with expected lower realised prices and higher costs, mainly for electricity, had a negative impact on the forecast cash flow generation.

According to the base case of the Group's impairment test prepared for the 2025 year end accounts, the value in use of the Group's single cash-generating unit's operating non-current assets, including property, plant and equipment as well as other intangible assets and other non-current assets, supported the carrying value of these assets as at 31 December 2025, as a result, no further impairment losses needed to be recognised in addition to the impairment loss of US\$154 million recognised as at 30 June 2025.

The impairment recognised as at 30 June 2025 was expected and is attributable to the adjustments to the Group's business operations that became necessary due to the personal sanctions imposed on Mr Zhevago in February 2025, which was treated in the 2024 year-end accounts as a non-adjusting post balance sheet event. As a result of the personal sanctions imposed on Mr Zhevago, the tax authorities in Ukraine suspended VAT refunds to the Group's major subsidiaries.

Judgements/actions taken

IMPAIRMENT CONSIDERATIONS OF THE GROUP'S NON-CURRENT OPERATING ASSETS AS A RESULT OF THE ONGOING WAR (NOTE 13 TO THE CONSOLIDATED FINANCIAL STATEMENTS) CONTINUED

The Group announced on 29 January 2024 that a Ukrainian court of appeal has confirmed a claim against Ferrexpo Poltava Mining ("FPM") in the amount of UAH4,727 million (US\$112 million as at 31 December 2025), in respect of contested sureties. FPM appealed this decision to the Supreme Court of Ukraine and the court proceedings continued during the year ended 31 December 2025 and no decision has been made as at the date of the approval of these Consolidated Financial Statements. In relation to the contested sureties' claim, which is still under review by the Supreme Court of Ukraine, a local court of first instance in Poltava ruled in favour of the claimant in the dispute over the contested sureties and ordered the opening of bankruptcy proceedings against Ferrexpo Poltava Mining ("FPM").

With regard to the ongoing risk of a nationalisation of 49.5% of shares in FPM and certain of its assets, the contested sureties claim and the related opening of bankruptcy proceedings against FPM, the Committee concurs with management's conclusion that, due to the lack of information available at the date of the approval of these Consolidated Financial Statements, it is impossible to estimate the possible financial impact in future periods. See Note 30 Commitments, contingencies and legal disputes for further information.

The Committee is aware that the level of judgement remains very high, compared to the years before the war commenced. Beside the normal judgement in terms of production and sales volumes, anticipated prices for iron ore products and costs for input material, the outcome of the impairment test is also heavily dependent on when the war is expected to end, and how the politically motivated legal proceedings and fiscal decisions will develop. Furthermore, there is a potential risk that the logistics route via the ocean-going Black Sea ports in Ukraine may not be available to the Group as currently expected by management and as reflected in the Group's current long-term model. The Committee concurs with management's conclusion on the impairment test prepared and the high sensitivity of potential adverse changes in key assumptions on the value in use of the Group's non-current operating assets. As mentioned above under going concern considerations, a fundraise in the amount of US\$100 million is expected to be completed subsequent to the approval of these Consolidated Financial Statements and is considered in the Group's financial long-term model. The planned fundraise is conditional on all of the resolutions being passed by the shareholders of Ferrexpo plc. If the resolutions are not passed by the shareholders, or if any of the other conditions are not satisfied, the planned fundraise will not proceed, which will have a significant impact on the Group's ability to continue as a going concern and, as a consequence, on the valuation of its non-current operating assets.

Detailed information on the sensitivities prepared are provided in Note 13 Property, plant and equipment to the Consolidated Financial Statements.

TAXATION IN GENERAL AND TAX LEGISLATION IN UKRAINE (NOTE 11 TO THE CONSOLIDATED FINANCIAL STATEMENTS)

The Group operates across a number of jurisdictions through its value chain, and prices its sales between its subsidiaries using international benchmark prices for comparable products covering product quality and applicable freight costs. The Group judges these to be on terms which comply with applicable legislation in the jurisdictions in which the Group operates.

As disclosed in the previous Annual Report and Accounts of the Group, the Group's two major subsidiaries in Ukraine received tax audit reports following the completion of tax audits in 2023. The received claims for alleged underpayment of corporate profit taxes in Ukraine of UAH2,162 million (US\$51 million as at 31 December 2025), including fines and penalties, and UAH259 million (US\$6 million as at 31 December 2025), respectively. Both subsidiaries filed the objections against the potential claims stated in the tax audit reports received.

Despite the two claims received, it is still management's view that the Group has complied with the applicable legal provisions in all its cross-border transactions based on the relevant technical grounds, including those during the financial years 2015 to 2017 for which the above-mentioned substantial claims have been received. During 2025, several preparatory meetings and hearings on the merits took place without the court of first instance in Ukraine reaching a decision. However, considering the complexity involved, the court of first instance ordered a judicial economic review and suspended the proceedings.

Having considered the background of the claims, the Committee shares management's view that the Group has complied with applicable legislation for its cross-border transactions based on the relevant technical grounds. As a consequence, no specific provisions have been recognised as at 31 December 2025 for the two claims received and it is expected that these claims will be heard by all three courts instances in Ukraine. However, the claims have been considered in the Group's IFRIC 23 *Uncertainty over Income Tax Treatments* assessment. The Committee is aware that there is a risk that the independence of the judicial system and its immunity from economic and political influences in Ukraine is not upheld and, if so, the Group could be subject to material financial exposures relating to the claims received and potential claims from future tax audits.

See Note 11 Taxation for further information.

COMPLETENESS OF CONTINGENCIES AND LEGAL DISPUTES (NOTE 30 TO THE CONSOLIDATED FINANCIAL STATEMENTS)

The Committee is aware that the Group is, in addition to the war-related uncertainties, also exposed to the risks associated with operating in a challenging environment in Ukraine, which is exacerbated by the war and the current circumstances facing Mr Zhevago. As a result, the Group is exposed to a number of risk areas that are heightened compared to those expected in a stable economy, including an environment of political, fiscal and legal uncertainties.

Judgements/actions taken

COMPLETENESS OF CONTINGENCIES AND LEGAL DISPUTES (NOTE 30 TO THE CONSOLIDATED FINANCIAL STATEMENTS) CONTINUED

The Group is currently involved in several ongoing legal proceedings and disputes. Detailed information on the status and associated risks are disclosed in Note 30 Commitments, contingencies and legal disputes to the Consolidated Financial Statements:

- civil claim for damages amounting to UAH157 billion (approximately US\$3.7 billion as at 31 December 2025) in favour of the Ukrainian state related to alleged illegal mining and selling of subsoil (minerals other than iron ore), which is related to investigations that commenced in 2023;
- a claim in the amount of UAH4,727 million (US\$112 million as at 31 December 2025) in respect of contested sureties;
- opening of bankruptcy proceedings of the Group's major subsidiary in Ukraine, which is related to the contested sureties claim;
- challenges of squeeze-out by minority shareholders in the amount of UAH136 million (US\$3 million as at 31 December 2025);
- legal proceedings in respect of VAT refunds suspended by the tax authorities in Ukraine as a result of personal sanctions imposed on Mr Zhevago, including five negative decisions of the court of appeal received in 2026 which, as they relate to proceedings that commenced in 2025, are treated as adjusting events after the reporting period, resulting in the recognition of an allowance of US\$13 million as at 31 December 2025;
- various share freezes in relation to claims from the Ukrainian Deposit Guarantee Fund ("DGF"), the National Bank of Ukraine ("NBU") and the Bank F&C;
- share dispute related to the Group's major subsidiary in Ukraine;
- royalty-related investigation and claim;
- potential risks related to currency control measures imposed in Ukraine, following an internal review report issued by the State Tax Service of Ukraine in July 2026 assessing penalties of approximately UAH35.3 billion (approximately US\$787 million as at the date of approval of these consolidated financial statements), against which the Group's major subsidiary has filed formal objections and intends to challenge any resulting tax notices-decisions before the Ukrainian courts;
- ecological claims; and
- cancellation of the mining licence for Galeschynske deposit.

As mentioned above, the Group is operating in a challenging environment in Ukraine and most of the matters to be considered by the Committee are seen to be a result of operating in such an environment, which is exacerbated by the adverse political landscape towards Mr Zhevago and, as a consequence, also against the Group's subsidiaries in Ukraine. The claims and court decisions received creates additional challenges for the Group's subsidiaries in Ukraine, but also for the Group itself.

As disclosed in Note 35 Events after the reporting period, there are a number of events after the reporting period, which had to be assessed by the management and the Committee. One of these is an adjusting event, being the cancellations of the decisions of the court of first instance in respect of five monthly VAT claims by the court of appeal. The Committee concurs with management's conclusion to treat these cancellations as an adjusting post balance sheet event from an accounting perspective. The Committee also concurs with management's conclusion that the other events are treated, at this point of time, as a non-adjusting post balance sheet events from an accounting perspective as well as with the disclosure of the critical judgements made.

Following the thorough review of management's position and independent legal advice received for the matters listed above, the Committee concluded that the disclosures made in Note 30 Commitments, contingencies and legal disputes to the Consolidated Financial Statements provide an adequate level of detail to allow the reader of the accounts to understand the potential consequences and the related exposure. The Committee also concurs with management's view that no provisions have to be recognised for other ongoing legal proceedings and disputes in the consolidated statement of financial position as at 31 December 2025. The provisions recorded as at 31 December 2023 in connection with the contested sureties claim and the challenges of the squeeze-out by minority shareholders were not released as at 31 December 2025 and remain unchanged in local currency.

The Committee concurs with management's conclusion that a material uncertainty in respect of the ongoing legal disputes still remains as some of the identified uncertainties are outside of Group Management's control.

See Note 2 Basis of preparation to the Consolidated Financial Statements and the Viability Statement on pages 116 to 118 for further information.

EVENTS AFTER THE REPORTING PERIOD (NOTE 35 TO THE CONSOLIDATED FINANCIAL STATEMENTS)

There are a number of events after the reporting period, which had to be assessed by the management and the Committee. One of these is an adjusting event, being the cancellations of the decisions of the court of first instance in respect of five monthly VAT claims by the court of appeal. The Committee concurs with management's conclusion to treat as an adjusting post balance sheet event from an accounting perspective. The Committee also concurs with management's conclusion that the other events are treated, at this point of time, as a non-adjusting post balance sheet events from an accounting perspective as well as with the disclosure of the critical judgements made.

There were a number of events after the previous reporting period ended 31 December 2024, which had to be assessed by the management and the Committee when preparing the Group's 2024 Annual Report and Accounts. These events were treated as non-adjusting post balance sheet events from an accounting perspective and, as a result, affected the Group's financial position and result in 2025. Further information on the resulting effects in the 2025 Consolidated Financial Statements are provided in the sections on the assessment of going concern and impairment considerations on pages 205 and 223.

See also Note 2 Basis of preparation and Note 30 Commitments, contingencies and legal disputes and Note 35 Events after the reporting period to the Consolidated Financial Statements for further details on the events listed above.

INTERNAL CONTROL AND RISK MANAGEMENT

Internal controls – general

The Board, with assistance from the Committee, regularly reviews the policies and procedures making up the risk management framework and internal control system, and any significant matters reported by the Executive Committee. The Group's consolidated risk matrix and register is considered at every scheduled Board and Committee meeting, with specific risks discussed in detail as and when required.

The Board has delegated its responsibility for reviewing the effectiveness of the risk management framework and internal control system to the Committee. In making its assessment, the Committee considers the reporting provided to it during the year in relation to internal control systems and procedures, including the risk matrix and register, and may request more detailed investigations into specific areas of concern, if necessary.

Key elements of the risk management framework and internal control system include:

- The Group has in place a series of policies, practices and controls in relation to the financial reporting and consolidation processes, which are designed to address key financial reporting risks, including risks arising from changes in the business or accounting standards and to provide assurance of the completeness and accuracy of the content of the Annual Report and Accounts.
- Regular review of identification of key risks at the Executive Committee which are reviewed by the Committee and by the Board.
- The Finance, Risk Management and Compliance Committee ("FRMCC"), an executive sub-committee, is charged, on behalf of the Executive Committee or Committee, as appropriate, with ensuring that, inter alia, systems and procedures are in place to comply with laws, regulations and ethical standards. The Group Compliance Officer attends FRMCC meetings for compliance related matters, and, as necessary, local compliance officers from the Group's operations attend and present regular reports to ensure that the FRMCC is given prior warning of regulatory changes and their implications. The FRMCC enquires into the ownership of potential suppliers deemed to be "high risk", and oversees the management of conflicts of interests below Board level and general compliance activities (including under the UK Bribery Act, Economic Crime and Corporate Transparency Act – Failure to Prevent Fraud, the Modern Slavery Act, the Criminal Finances Act, and the EU General Data Protection Regulation). The FRMCC also reviews financial information, management accounts, update on taxation, cash management, and the Group's risk matrix and register, including the counterparty risk review. The FRMCC met nine times in 2025.
- Clearly defined organisational and reporting structure and limits of authority for transaction and investment decisions, including any with related parties.
- Clearly defined processes for the review and approval of related party listings and appropriate review and approval of transactions from the Committee of Independent Directors and the Executive Related Party Matters Committee ("ERPMC"). Additional procedures are in place locally to ensure the completeness and the arm's length nature of related party transactions, such as background checks and tender processes. The ERPMC met nine times in 2025 and decisions taken in between regular ERPMC meetings were taken by written resolution.
- Clearly defined information and financial reporting systems, including regular forecasts and an annual budgeting process with reporting against key financial and operational milestones.
- Investment appraisal underpinned by the budgetary process, where capital expenditure limits are applied to delegated authority limits.
- The Investment Committee (an executive sub-committee) meets as required in order to consider and approve capital expenditures within limits delegated by the Executive Committee and the Board. However, since the start of the war in Ukraine, the monthly meetings of the Investment Committee ceased as there was relatively little capital expenditures to be discussed and approved. To enhance the process of investment decisions and evaluation the meetings resumed in September 2024 and the schedule of meetings is now aligned with all executive sub-committee meetings. The Investment Committee met nine times in 2025.
- A budgetary process and authorisation levels to regulate capital expenditure. For expenditure beyond specified levels, detailed written proposals are submitted to the Investment Committee and Executive Committee and then, if necessary, to the Board for approval.
- Clearly defined Treasury Policy (details of which are given in Note 27 Financial Instruments to the Consolidated Financial Statements on pages 238 to 244), which is monitored and applied in accordance with pre-set limits for investment and management of the Group's liquid resources, including a separate treasury function.
- Internal audit by our in-house audit team based in Ukraine (see below), which monitors, tests and improves internal controls operating within the Group at all levels and reports directly to the Chair of the Committee, and to the Group CFO for line management purposes.
- A Group accounting manual is used by the finance teams throughout the Group, which ensures that information is gathered and presented in a consistent way that facilitates the production of the Consolidated Financial Statements.
- A framework of transaction and entity-level controls to prevent and detect material error and loss.
- Anti-fraud measures through an internal security department operating in the Company's key operating subsidiaries.
- A whistleblowing policy is in place under which staff may in confidence, via an independent, secure website, raise concerns about financial or other impropriety, which are followed up by Internal Audit and reported on to the Board.

AUDIT COMMITTEE REPORT CONTINUED

The Committee and the Board continued to review ongoing litigation affecting the Group throughout the year (see Note 30 Commitments, contingencies and legal disputes to the Consolidated Financial Statements on pages 246 to 253), and received regular update reports and presentations from legal counsel.

Full details of the Group's policy on credit, liquidity and market risks and associated uncertainties are set out in Note 27 Financial instruments to the Consolidated Financial Statements on pages 238 to 244. See also the Principal Risks section of the Strategic Report on page 102.

INTERNAL AUDIT

The internal audit function has a Group-wide remit, and the Head of Internal Audit, who has significant mining experience; reports directly to the Chair of the Committee and to the Group CFO.

The Committee reviews at least annually the effectiveness of the internal audit function by assessing outcomes against plan targets, and is satisfied, following its 2025 assessment, with the rigour of the internal audits and with management's response to the audit findings and recommendations. The resources of internal audit are also monitored to ensure appropriate expertise and experience. The Internal Audit plan for 2026 was approved by the Committee in November 2025.

The full scope audits in 2025 focused on finished goods quality, Energy management, Investments, Repair and Maintenance and Inventory Management and were aligned to the Internal Audit plan for 2025 that was approved by the Committee. A limited scope review of Procurement quality complaints management and Financial Monitoring Review were issued, with HR training centre was deferred to 2026. Notwithstanding a change of Head of Internal Audit mid-year, the Committee received a report from the Head of Internal Audit twice during the year, and reviewed the progress of the Internal Audit plan with the external auditors and the Head of Internal Audit. The reports include the Head of Internal Audit's assessment of the operation and effectiveness of relevant elements of the Company's internal control systems, and formed part of the Committee's ongoing monitoring and assessment of such systems.

EXTERNAL AUDITOR

The Committee has primary responsibility for overseeing the relationship with the external auditors, including assessing their performance, effectiveness and independence annually, and making a recommendation to the Board in respect of their reappointment or removal.

Audit firm, MHA MacIntyre Hudson were appointed in July 2019 with lead audit partner Rakesh Shaunak in post since the start of the 2019 audit to 2023. The current lead audit partner is Andrew Moyser in post from the start of the 2024 audit. MHA MacIntyre Hudson transferred its audit activities to MHA Audit Services LLP during 2025. Due to the Company's classification as an Entity of Public Interest, an Engagement Quality Reviewer was appointed to the audit during the year.

Partner Rotation

Rakesh Shaunak had been lead audit partner since the start of the 2019 audit. At the end of the 2023 audit Rakesh Shaunak had been in post for five years, meeting the term limit according to the Auditing Practices Board's Ethical Standards. Following the completion of the 2023 audit in 2024, Rakesh Shaunak was replaced by Andrew Moyser as lead audit partner.

At the November 2025 Committee meeting, an update on the annual cycle key engagement team members was presented setting out the terms of service for the audit team against their maximum terms. Andrew Moyer has served two out of a five year term.

EXTERNAL AUDIT

Auditor independence and assessment of audit process effectiveness

The Audit Committee and the Board place great emphasis on the independence and objectivity of the Company's external auditors when performing their role in the Company's reporting to shareholders.

The effectiveness of the audit process and the overall performance, independence and objectivity of the external auditors are reviewed annually at the end of the annual reporting cycle by the Committee, taking into account the views of management. This review is undertaken through a structured questionnaire, assessing the auditor's performance under various

headings: the robustness of the audit, the quality of delivery, the calibre of the audit team and value added advice. The results of the survey indicated that, overall, the external auditor's performance was considered very good by the respondents with significant improvement in the scores from respondents in Ukraine although overall a slight decrease on the 2023 scores which was attributable to the addition of two new scorers which skewed the outcome albeit slightly. Following discussion on the scores, there were no indications of any substantial issues on a Group or subsidiary level to raise to the Committee. The outcome of the review in respect of the 2025 Annual Report and Accounts was discussed with the relevant partners of MHA.

The auditors also provide to the Committee information about policies and processes for maintaining independence and monitoring compliance with relevant current requirements, including those regarding the rotation of audit partners and staff, and the level of fees that the Company pays in proportion to the overall fee income of the firm. The Committee concluded that the auditors are providing the required quality in relation to the audit and that they have constructively challenged management where appropriate.

Taking into account the review of independence and performance of the external auditor, the Committee has recommended to the Board the reappointment of MHA. Resolutions reappointing MHA as external auditor and authorising the Directors to set the auditor's will be proposed at the separate shareholding meeting at which this Annual Report and Accounts will be laid. The Company notes that as of the end of the financial year 2025, the Company has engaged MHA as external auditor for seven consecutive financial years. In light of the material uncertainty related to the ongoing war in Ukraine, the Committee does not consider it to be the right time, or in the best interests of the Company's shareholders, to conduct a competitive tender process for the external audit. The Company proposes that it will next complete a competitive tender process during financial year 2027, subject to the situation in Ukraine having stabilised by that time. The Committee will continue to keep this position under review.



The Committee has complied with the Statutory Audit Services Order issued by the UK Competition and Markets Authority.

The Committee reviewed all the Standards set out in the FRC's Audit Committee Minimum Standard as applicable. The Committee has complied with the Audit Committees and the External Audit: Minimum Standard published by the FRC in May 2023 for the financial year ended 31 December 2025.

REGULAR PRIVATE SESSIONS

There is regular open communication between the Committee and the external auditor, and the Committee met five times during the year. At the end of each Committee meeting, the Committee held a private session with the external auditors, without management present, to facilitate open dialogue.

INTERACTION WITH EXTERNAL AUDITOR

The Committee Chair, the Chief Financial Officer and management have regular communication with the external auditors throughout the year and are able to raise issues and discuss key deliverables as the year progresses. The Committee recognises that MHA have appropriately challenged management on key judgements and estimates throughout the year, as detailed throughout this report.

FRC AUDIT QUALITY REVIEW ("AQR")

The Committee is aware of the review conducted by the FRC's Audit Quality Review (AQR) team of MHA's audit of the Consolidated Financial Statements for the year ended 31 December 2024. The findings and the outcome of the review, alongside the areas of good practice that were outlined in the AQR inspection report were reviewed and discussed by the Audit Committee. The recommendations made by the AQR team and actions proposed and implemented were discussed by the Committee with MHA, as part of the 2025 audit.

NON-AUDIT SERVICES

The Committee operates policies in respect of the provision of non-audit services and the employment of former employees of the auditors. These policies ensure that the external auditors are restricted to providing only those services which do not compromise their independence under applicable guidance and the FRC's Ethical Standards.

The policy on the provision of non-audit services prohibits the use of the auditors for the provision of transaction or payroll accounting, outsourcing of internal audit and valuation of material financial statement amounts. Any assignment that is proposed to be given to the auditors above a value of US\$20 thousand must first be approved by the Committee (and the Committee is routinely notified of all non-audit services).

Fees for audit-related and non-audit-related services performed by the external auditors during the financial years 2025 and 2024 are shown in Note 7 Operating expenses to the Consolidated Financial Statements on page 214. For the financial 2025, no non-audit services were performed by MHA.

The total of audit-related assurance services of US\$402 thousand as at 31 December 2025 include US\$130 thousand regarding ESG-related disclosures in the Annual Report and Accounts under International Standard on Assurance Engagements ISAE (UK) 3000 (Revised) in respect of the process for reporting of selected safety and emissions data in relation to data included in the Annual Report and Accounts of the comparative year.

FINANCIAL REPORTING

The Board has asked the Committee to advise whether it considers the 2025 Annual Report and Accounts, taken as a whole, to be fair, balanced and understandable and whether it provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

In providing its advice, the Committee noted that the factual content of the Annual Report and Accounts has been carefully checked internally, and that the document has been reviewed by senior management in order to ensure consistency and overall balance. The Committee has also conducted its own detailed review of the disclosures in the Annual Report and Accounts, taking into account its own knowledge of Group's strategy and performance, the consistency between different sections of the report, the accessibility of the structure and narrative of the report, and the use of key performance indicators.

The Committee is satisfied that, taken as a whole, the 2025 Annual Report and Accounts is fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy, and has advised the Board accordingly.

The Committee has also advised the Board on the process which has been undertaken in the year to support the Viability Statement required under the UK Corporate Governance Code. The Viability Statement is set out in the Strategic Report on pages 116 to 118 and a statement setting out the Board's assessment of the Company as a going concern is contained in the Directors' Report on pages 184 to 187 and Note 2 Basis of preparation to the Consolidated Financial Statements.

WHISTLEBLOWING POLICY

In accordance with the UK Corporate Governance Code, the Board is responsible for reviewing the Company's whistleblowing arrangements, and receives regular reports from the Audit Committee and the Head of Internal Audit which detail any new whistleblowing incidents and, where appropriate, steps taken to investigate such incidents.

Stuart Brown

Chair of the Audit Committee
3 September 2026

NOMINATIONS COMMITTEE REPORT

The Committee is chaired by Lucio Genovese and consists of two Independent Non-executive Directors. The Group Chief Human Resources Officer attends meetings by invitation.



Lucio Genovese
Chair of the Nominations Committee

Key activities of the Committee in 2025

- In 2025, the Committee was formally convened four times (2024: four) and considered the following:
- Board and committee composition, structure and size, aligned to the Group’s leadership needs;
 - the Board skills matrix and related training and development for 2025 to ensure ongoing effectiveness;
 - succession planning for Non-executive Directors and senior management;
 - review of criteria for the appointment of Non-executive and Executive Directors;
 - agreement of leadership capability progression requirements across organisational levels to support executive talent pipeline development;
 - the composition and diversity of the Executive Committee and its direct reports;
 - recommendation to support the re-election of directors standing for election at the 2025 AGM;
 - review of candidates for appointment as Non-executive Directors;
 - actions planned for 2025 to support the delivery of the Group’s diversity and inclusion objectives;
 - outcomes of the annual talent review and succession plans for business-critical roles; and
 - approval of the 2024 Nominations Committee Report for inclusion in the 2024 Annual Report and Accounts.

Membership and meeting attendance

Committee member	Scheduled meetings	
	Eligible to attend	Attended
Lucio Genovese	4	4
Vitalii Lisovenko	4	3
Fiona MacAulay	4	4

 Read the Committee’s full objectives and responsibilities online: www.ferrexpo.com/about-ferrexpo/corporate-governance/board-committees/

DEAR SHAREHOLDER,
I am pleased to present the Nominations Committee Report for 2025 and provide a summary of the work that the Committee completed in the reporting year.

The role of the Nominations Committee is to assist the Board in regularly reviewing its composition and those of its committees, to lead the process for Board appointments, and ensure effective succession planning for the Board and senior management. The key activities undertaken in the year are described in more detail in this report. The Committee’s terms of reference are available to view online on the Company’s website (www.ferrexpo.com).

In early January 2025, Natalie Polischuk stepped down from the Board as an independent Non-executive Director, including from her roles as Chair of the Health, Safety, Environment and Community (“HSEC”) Committee and as a member of the Audit Committee and the Committee of Independent Directors (“CID”). Following her departure, the Nominations Committee confirmed search criteria and led a search process to identify a suitable successor. In the interim, Ms Polischuk’s responsibilities have been reallocated among Board members, and the Board considers these arrangements to be operating effectively.

The search process identified several potential candidates who were interviewed by the Committee; however, none fully met the Committee’s evolving criteria for appointment. As the search has progressed, the Committee has refined the desired candidate profile to reflect changing operating conditions and the Board’s shifting priorities. While the Board remains committed to filling the vacancy, it considers it prudent, if necessary, to pause or defer the appointment until operating conditions stabilise, recognising that an end to the war could broaden the pool of candidates able to meet the Board’s requirements and support its long-term effectiveness.

Ms Polischuk's departure resulted in the Board's gender diversity falling further below the 40% target set by the FTSE Women Leaders Review. The Board remains committed to restoring gender balance and expects the ongoing search process to support progress toward this objective, while continuing to prioritise the skills and experience required to guide the Group through the current challenging operating environment in Ukraine. As part of its broader Board refreshment programme, the Board also remains focused on meeting the gender and ethnic diversity targets applicable to UK-listed companies.

In 2025, the Committee also undertook a comprehensive review of the Board's skills matrix to ensure it remains relevant and aligned with the Company's evolving needs, and to support both the recruitment and ongoing development of Board directors (see the Board Skills Matrix on page 131). This review confirmed the importance of strengthening expertise in areas such as sustainability, legal and regulatory matters, cyber security, and relevant sector and geopolitical experience, reflecting the Group's operating environment.

Maintaining an appropriate balance of skills and experience across the Board remains a priority in supporting effective oversight and the delivery of the Company's long-term strategy.

The Board views diversity, equity and inclusion ("DEI") as fundamental to the Group's long-term success and to its ability to build a resilient and high-performing organisation. An inclusive culture, underpinned by equitable and transparent people practices, is recognised as enhancing the quality of decision-making and enabling the Group to draw on the widest possible range of talent, skills and perspectives. By embedding DEI considerations across its workforce and leadership practices, the Group seeks to strengthen organisational capability and ensure it remains well equipped to deliver its strategy in a complex, challenging and evolving operating environment.

The Committee was encouraged to note the continued progress made during 2025 in advancing gender balance across the Group. Progress was reflected across the wider workforce, with female representation continuing to increase during the year, moving the Group closer to its 2030 diversity target, details of which are set out in this report. The number of women in leadership also increased and has now met the Board's stated target of 25% women in leadership roles ahead of the original 2030 timeframe. The Board considers this to be a positive milestone and expects momentum to continue into 2026, notwithstanding the ongoing conflict in Ukraine. The Board intends to set a new aspirational target during 2026 to be achieved by 2030, ensuring continued focus on achieving best-in-class gender balance across the Group.

The Committee plays a vital role in ensuring that both Board composition and the Group's broader leadership structure reflect the appropriate mix of capabilities, experience, diversity and perspectives required to sustain the Group's long-term success. During the year, the Committee therefore reviewed leadership capability progression requirements across organisational levels to strengthen development of the executive talent pipeline. The resulting framework helps ensure that development plans remain aligned with the Group's strategic needs and that high-potential leaders are effectively identified and prepared for future senior roles.

As at 31 December 2025, the Committee composed of two Independent Non-executive Directors, Vitalii Lisovenko and Fiona MacAulay. I would like to thank the members of the Committee for all their work during the year.

Lucio Genovese

Chair of the Nominations Committee
3 September 2026

MEMBERSHIP AND MEETINGS

The Committee is chaired by Lucio Genovese and as at 31 December 2025 its other members were Vitalii Lisovenko and Fiona MacAulay. A review of the Committee's membership will be conducted in 2026.

In accordance with its terms of reference, the Committee is required to meet at least once annually and met on four scheduled occasions during 2025, all of which were held in person. All Non-executive Directors have a standing invitation to attend Committee meetings, subject to the consent of the Committee Chair, and in practice most Directors attend regularly. Meeting discussions covered the activities outlined in the Committee Chair's introductory letter, with particular focus on Board skills and experience requirements, the review of candidate profiles for potential Board appointments, and Executive and Senior Management succession and development planning.

ELECTION AND RE-ELECTION

In accordance with the UK Corporate Governance Code, all Directors stood for re-election by shareholders at the Company's AGM held in June 2026, except for Mr Vitalii Lisovenko who stepped down at the AGM following nine years' service on the Board. The range of skills and experience represented on the current Board is set out on pages 126 to 127. The Committee and the Board considered the performance of each Director standing for re-election to be fully satisfactory, with all demonstrating strong commitment to their respective roles. The Board therefore strongly supported the re-election of these Directors and recommended that shareholders vote in favour of the relevant resolutions at the 2026 AGM.

SUCCESSION PLANNING AND RECRUITMENT

Beyond its governance responsibilities, the Committee plays a vital role in upholding the high standards of corporate governance that stakeholders rightly expect. By carefully planning for future recruitment, it ensures the Board continues to have the right mix of diversity, skills, and experience to execute the Group's strategy and drive long-term success.

In an evolving business landscape, especially with the ongoing war in Ukraine, the Committee remains proactive in identifying and addressing leadership needs, ensuring that the Board remains well-equipped to navigate challenges, seize opportunities, and deliver sustainable value. The roles of all Directors are summarised on page 134.

In 2025, the Committee undertook a thorough review of the Board's Skills Matrix to ensure it remains relevant and aligned with the Company's evolving needs. The matrix plays a crucial role in guiding both the recruitment and ongoing development of Board directors, ensuring the Board maintains the expertise necessary to drive the Company forward (for further details, see the Board's Skills Matrix on page 131).

As a result of this review, the Committee reaffirmed several priority areas for further strengthening the Board's collective skills and experience, including expertise in sustainability, legal affairs and cyber security, reflecting the increasingly complex regulatory environment and heightened cyber risk arising from the conflict in Ukraine. In addition, the Committee recognised the importance of ensuring that candidates possess appropriate sector knowledge and relevant geopolitical exposure, especially in Ukraine, which are considered critical to the effective oversight and long-term stewardship of the Company in the current operating environment.

By proactively focusing on these capability requirements, the Committee seeks to maintain an appropriate balance of skills and experience on the Board and enhance its oversight of principal risks, and ensure it remains effective, resilient and well positioned to lead the Group to achieve its long-term strategic objectives.

In 2025, the Committee extended Mr Lucio Genovese's term as interim Executive Chair for another year, recognising that his leadership remains essential during this critical period. Mr. Genovese initially assumed the role in 2023, following the resignation of the CEO, stepping in to provide stability and strategic direction amid unprecedented challenges, especially posed by the war in Ukraine. The Committee carefully evaluated the timing of a formal CEO search and determined that the ongoing war in Ukraine continues to present significant obstacles to attracting top-tier external candidates. Given the complexities of operating in such an environment, the Committee considers that postponing the search until the war ends remains the most prudent course of action. The Committee therefore unanimously recommended that Mr. Genovese continue leading the Group on an interim basis. His deep industry expertise, proven leadership, and in-depth understanding of both the business and the geopolitical landscape make him the best person to steer the Company through this unprecedented period of uncertainty, positioning the Company for long-term success until conditions allow for a permanent CEO appointment.

Ms Natalie Polischuk stepped down as an independent Non-Executive Director in January 2025. In response, the Committee initiated a rigorous search process to identify a suitable successor, recognising the importance of maintaining and strengthening the Board's expertise in key areas. To support this process, the Committee initially engaged Stonehaven and subsequently appointed Larkhall, Howl Resources and Redstone Search to further broaden the search in light of the highly specific criteria required for the role, ensuring the widest possible access to suitably qualified candidates. All of these firms subscribe to the UK Government's Enhanced Code of Conduct for Executive Search Firms and the Voluntary Code of Conduct on diversity best practices and have no other connection with the Company.

Before commencing the search, the Committee established detailed criteria for the role and kept these under review throughout the process, refining requirements as the Board's priorities evolved in response to the continuing impact of the war in Ukraine and the Group's changing needs. Particular emphasis was placed on candidates with strong financial expertise, together with deep sector knowledge and practical geopolitical experience in Ukraine, recognising that effective oversight in the current environment requires a clear understanding of geopolitical dynamics, regulatory complexity and sector-specific risks. A director with this specialised experience would further strengthen the Board's ability to support the Company's long-term resilience and stability.

Candidate longlists and shortlists were reviewed by the Committee, with shortlisted candidates subsequently interviewed by Committee members and, where practicable, other Board Directors. While several candidates have been considered, none has yet fully met the Committee's evolving criteria, and the search therefore remains ongoing.

The Board remains committed to filling the vacancy while ensuring that any appointment maintains an appropriate balance of skills, independence, diversity and experience on the Board. The search continues to support orderly succession planning and to ensure the Board retains the expertise necessary to guide the Company through current challenges and support its long-term development, with an appointment anticipated in due course.

The Committee is responsible for overseeing the composition, structure and size of the Board and its Committees, as well as for the appointment of Directors and executive management. As part of this remit, the Committee ensures that robust succession planning is in place for both the Board and other critical leadership roles, at both corporate and operational level, thereby securing the talent required to support the Group's long-term development.

During 2025, the Committee reviewed the talent pipeline and succession plans for key business roles, ensuring development actions address critical capability gaps and that succession coverage is in place for priority corporate and operational positions.

Recognising that the ongoing war continues to create challenges to attract and retain skilled personnel, the Committee tasked the Group Chief Human Resources Officer with accelerating and sustaining targeted succession initiatives to strengthen leadership continuity and support ongoing business stability and growth.

BOARD DIVERSITY POLICY

In progressing recruitment, including the preparation of shortlists for prospective Board members, the Committee seeks to ensure that a broad and diverse range of candidates is considered. Appointments are ultimately made on merit against objective criteria to ensure the strongest candidate is selected. The Committee nevertheless ensures that the Group's Diversity, Equity and Inclusion ("DEI") Policy informs all Board search processes and that relevant external guidance, including the recommendations of the FTSE Women Leaders and Parker Reviews, are taken into account.

The Board places significant importance on fostering an inclusive and diverse Board and workforce and recognises its leadership role in creating an environment in which different perspectives are valued and bias is actively addressed. To support this objective, the Board adopted a DEI Policy in 2019, which remains under regular review by the Committee. The Policy promotes equality of opportunity across the organisation, seeks to address diversity imbalances within the workforce and supports the development of sustainable talent pipelines for future leadership roles. Responsibility for delivery of the Policy is shared with the Executive Committee, with progress updates presented to the Board every six months to enable oversight and adjustments where required. A summary of the Board's diversity information is provided on page 129.

WORKFORCE DIVERSITY

Ferrexpo remains committed to building a diverse and inclusive workforce across all levels of the organisation and to broadening participation for all employees wherever possible. Recruitment practices therefore seek to attract candidates from the widest talent pool as practical, while recognising the operational challenges arising from the ongoing war in Ukraine and the limited availability of female talent for certain technical and operational roles within the local labour market.

To support this commitment, the Board set a target in 2019 to achieve 25% female representation in leadership roles by 2030. Gender diversity targets have been included in the Executive Business Scorecard since 2021 to maintain focus and accountability, with a target of 23.5% being set for 2025 to support continued progress towards this objective.

Reviewing progress made in 2025 against this target, the Committee was pleased to note that, despite the ongoing challenges posed by the war in Ukraine, and the fact that the DEI programme at operations has had to be curtailed, the representation of women in leadership roles improved from 22.9% in 2024 (97 female managers) to 25.8% in 2025 (115 female managers), resulting in the Group achieving its stated target of 25% women in leadership roles ahead of the original 2030 timeframe. To maintain this momentum and continue progressing towards a best-in-class gender balance across the Group, the Board intends to establish a new aspirational target during 2026 for achievement by 2030.

Progress at management level was also reflected across the wider workforce, with women representing 33.5% of employees in 2025, up from 32.2% in 2024, against a Group target of 35% to be achieved by 2030.

This upward trend reflects the Group's continued commitment to fostering a more inclusive workplace, despite the significant challenges arising from the ongoing war in Ukraine. By promoting opportunities for women across all levels of the organisation, the Group is strengthening its workforce and contributing to the advancement of gender equality within Ukraine's wider labour market.

A key initiative in Ferrexpo's work to foster diversity, equity, and inclusion across the organisation is the Fe_munity programme, designed to accelerate the career growth of senior female talent while addressing gender biases that may hinder their professional advancement. Although the 2025 edition of the programme faced disruptions due to the ongoing war in Ukraine, preventing external facilitators from traveling, a mentorship initiative was launched. Alumni from previous Fe_munity cohorts stepped in to mentor women identified for the postponed programme, a practice that will now continue alongside future Fe_munity cohorts and other planned DEI-related initiatives in 2026.

Despite the challenges of war, 2025 saw continued focus on Ferrexpo's DEI initiatives. Regular talks were hosted by senior female leaders from both inside and outside the business, while the Fe_munity Teens programme provided young people with insights and mentorship modelled on the full-scale Fe_munity experience. This initiative is part of Ferrexpo's broader corporate social responsibility strategy, which not only supports the advancement of Ukrainian society but also encourages young people to consider careers in the mining industry.

NOMINATIONS COMMITTEE REPORT

CONTINUED

BOARD DIVERSITY POLICY UPDATE

Board objective	Progress in 2025
Foster a diverse and inclusive workplace culture aligned with the Company's Values, Purpose and Strategy	• Upgrading of facilities and access points continued at operations to enable accommodation of people with disabilities, particularly considering veterans returning from the war with physical injuries. • The Fe_munity Teens programme was run in the local community to foster the recruitment of young people into the workforce. • Unconscious bias training continued to be implemented for junior and middle managers at operations to enhance diversity awareness at leadership levels. • A returning Veterans' Support Service continued to develop to assist both employees and community members who have sustained physical disabilities and psychological trauma from serving in the military.
Increase Board gender diversity and women in management below the Board	• An update of the Board's skills matrix was completed, highlighting gaps to inform current and future recruitment to be progressed in 2026. • A formal search was launched for an additional Non-executive Director to meet the FTSE Women Leaders Review target and the requirements of the Parker Review. • Initiatives in 2025 advanced women in leadership to 25.8% (115 female managers) (2024: 22.9% (97 female managers); resulting in the Group's target of 25% by 2030 being achieved ahead of the timeframe. A further target will be set by the Board in the course of 2026. • Total female representation increased to 33.5% of the workforce in 2025 (2,141 employees), up from 32.2% in 2024 (2,145 employees), against the Group's target of 35% by 2030. The increase reflects an overall reduction in headcount during 2025, with female employee numbers declining less than male employee numbers. This will remain a focus in 2026. • The Board reviewed the Group's talent pipeline and succession plans for senior, business-critical leadership roles, including identification of female candidates for accelerated development.
Monitor diversity programme outcomes and make adjustments to ensure overall objectives are met	New and ongoing activities planned for 2026, subject to any restrictions imposed by the war in Ukraine, will include: • Unconscious bias training for senior management. • Science, technology, engineering and mathematics ("STEM") ambassador visits to local schools and colleges. • Breakfast with a senior women leader initiative to enhance mentorship of young women in the workforce. • Fe_munity programme for potential women leaders at operations. • Teens Hub initiative to break down stereotypes regarding roles, provide career guidance, and address topics relevant to young people.

The Corporate Governance Report was approved by the Board on 3 September 2026

Lucio Genovese
Chair of the Nominations Committee
3 September 2026

REMUNERATION REPORT

The Committee is chaired by Fiona MacAulay. The Committee consists of three independent Non-executive Directors as required by the UK Corporate Governance Code and is also attended, by invitation, by the Interim Executive Chair of the Board, the Chief Human Resources Officer, and a representative from Korn Ferry, the Committee's independent advisor.



Fiona MacAulay
Chair of the Remuneration Committee

Membership and meeting attendance

Committee member	Scheduled meetings	
	Eligible to attend	Attended
Fiona MacAulay	5	5
Vitalii Lisovenko	5	4
Stuart Brown	5	5

 Read the Committee's full objectives and responsibilities online: www.ferrexpo.com/about-ferrexpo/corporate-governance/board-committees/

Key activities of the Committee in 2025

Policy and Governance Framework

- Approving the application of the Remuneration Policy for 2025.
- Review of updated investor guidance.
- Discussion of preliminary 2026 annual bonus scorecard measures.
- Review of Remuneration Committee annual cycle.

Setting Awards and Targets

- Approving the 2025 annual bonus scorecard.
- Approving 2025 LTIP restricted share awards.
- Reviewing and approving the remuneration for the Interim Executive Chair.
- Consideration of 2026 salary review proposals

Performance Assessment and Outcome Finalisation

- Reviewing senior leadership team performance to inform reward decisions.
- Approving the 2024 bonus outturn.
- Determining vesting of the 2022 Long-term Incentive Plan award.
- Approving the 2024 Directors' Remuneration Report.
- Considering performance to date against 2025 annual bonus targets.

Anticipated priorities for 2026

- Integrate 2026 AGM feedback for better decision-making and stakeholder satisfaction.
- Implement Remuneration Policy to motivate and retain talent, aligning pay with 2026 goals.
- Ensure performance targets support growth initiatives despite external challenges, enabling sustainable success.

MAIN OBJECTIVE

To establish and maintain on behalf of the Board a policy on executive remuneration to deliver the Company's strategy and value for shareholders; to agree, monitor and report on the remuneration of Directors and senior executives; and to review wider workforce remuneration and other policies in accordance with the UK Corporate Governance Code.

A STATEMENT TO SHAREHOLDERS FROM THE CHAIR OF THE REMUNERATION COMMITTEE

As Chair of the Remuneration Committee, I am pleased to present the Directors' Remuneration Report¹ for the year ended 31 December 2025.

This report is split into the following sections:

- 1 this **Statement to shareholders summarising decisions taken by the Committee**;
- 2 an **"At a glance"** overview of remuneration;
- 3 a summary of the **Directors' Remuneration Policy** approved by shareholders at the 2024 AGM; and
- 4 the **Annual Report on Remuneration** for 2025, setting out how we paid Directors in 2025 and how we intend to operate the Policy in 2026.

OUR APPROACH TO REMUNERATION

The Committee strives to align the interests of the executives with shareholders, and the Board keeps under review the structure and level of remuneration afforded through short- and long-term incentive schemes. It is the Board's policy to align executive and shareholder interests by linking a substantial proportion of executive remuneration to performance, both in the short- and long-term.

1. This report has been prepared by the Remuneration Committee (the "Committee") on behalf of the Board in accordance with the requirements of the Listing Rules of the UK Listing Authority, Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended in 2013, 2018 and 2019) and the UK Corporate Governance Code. The elements subject to audit are highlighted throughout.

Our Policy is purposefully weighted towards short-term performance targets given the Company's focus on operational excellence and the fact that the price of iron ore is dictated by market conditions. We aim to set performance targets that align to the factors directly within management's control.

As the war in Ukraine continues, we have ensured that our approach enables us to evaluate the extraordinary efforts of our teams when assessing the outcome of our business scorecard. We ensure that remuneration packages are competitive through assessing remuneration packages against relevant peers to ensure that Ferrexpo can attract, motivate and retain talented executives. We also ensure alignment with the shareholder experience through the performance conditions we set, and various governance features including bonus deferral and share ownership guidelines. This approach applies across the executive leadership team and has resulted in a robust link between pay and performance to date.

BUSINESS CONTEXT AND 2025 EMPLOYEE REMUNERATION

Performance and context in 2025

2025 was an exceptionally challenging year for the Group, marked by a volatile operating environment and factors largely outside management's control. The year began positively, with the strongest quarterly production since the full-scale invasion of Ukraine in February 2022 and clear evidence of the operational flexibility built into the business. However, this momentum was materially disrupted following the decision of the Ukrainian tax authorities to suspend VAT refunds to the Group's Ukrainian subsidiaries. This action had a profound impact on liquidity and required the rapid downscaling of operations, resulting in a significant reduction in production in the second half of the year.

Against this backdrop, the Board recognises the decisive and disciplined response of management. Swift cost-reduction measures were implemented to preserve liquidity and maintain the viability of the business, including optimisation of stripping ratios, reductions in non-essential capital expenditure and overheads, and difficult decisions relating to reduced working hours and furlough arrangements for a proportion of the workforce. While these actions have been deeply regrettable in respect of their impact on employees and communities, the Committee acknowledges that they were necessary to safeguard the long-term sustainability of the Group in a weak iron ore price environment and under unprecedented fiscal constraints.

Operational resilience and financial performance

Despite the significant headwinds faced during the year, management demonstrated resilience and agility in adapting the operating model. The Group continued to respond effectively to market demand, particularly from Chinese customers, by increasing the proportion of high-grade, low-alumina iron ore concentrate in the production mix and further diversifying away from a pellet-only model. This flexibility helped to mitigate some of the adverse impacts of lower prices and curtailed pelletising capacity.

Financial performance in 2025 reflects both the severity of the external challenges and the effectiveness of management's response. Revenues declined due to weaker realised prices and changes in product mix, while the suspension of VAT refunds resulted in a material non-cash impairment charge. Adjusted for this impairment, underlying EBITDA for the period was modest but resilient in the circumstances. The Committee considers that maintaining operations, protecting cash resources and preserving the core asset base during the year represents a credible performance outcome given the constraints under which the Group has been operating.

Safety, people and the wider stakeholder experience

The safety and wellbeing of employees remained the Group's highest priority throughout 2025, particularly given the ongoing conflict in Ukraine and the increasing intensity of aerial attacks on infrastructure in the regions in which the Group operates. The Committee notes with pride that the Group has now recorded zero fatalities for more than 64 months and continues to improve safety performance, with a Lost Time Injury Frequency Rate ("LTIFR") reported at 0.38, which is 13.9% below the Groups' five-year trailing average of 0.52. This outcome reflects sustained leadership focus on safety and reinforces the importance of embedding safety performance meaningfully within variable remuneration structures.

The wider stakeholder experience in 2025 has been profoundly affected by the operating environment in Ukraine. The Committee is acutely aware of the human impact of placing employees on reduced hours or furlough and of the difficult decision to curtail social and humanitarian expenditure due to liquidity constraints. At the same time, the Group continued to support Ukraine through the maintenance of employment where possible, ongoing tax contributions and the retention of roles for returning veterans. Since the start of the conflict, the Group's continued operation has provided significant economic and social value, and this continued to be the case despite our increasingly constrained circumstances in 2025.

Remuneration Committee perspective

It was in the above context that the Remuneration Committee operated the Policy that was approved by shareholders at the 2024 AGM. In reviewing performance and remuneration outcomes for 2025, the Committee considered the overall financial and operational performance of the Group, delivery against strategic priorities, safety outcomes and the broader stakeholder context, including the experience of employees, communities and shareholders. The Committee also spent time overseeing Group-wide pay decisions in exceptional operating circumstances.

The Committee recognises the significant efforts of management in navigating a year of severe disruption, while remaining mindful of the broader impact on the workforce and wider stakeholders. In light of the Group's circumstances, and given the low LTIP vesting and the Committee's decision to defer bonus awards under the STIP, remuneration outcomes appropriately reflect both the resilience demonstrated by management and the constraints under which the Group has operated. The Committee remains committed to ensuring executive remuneration supports long-term value creation, responsible leadership and fairness across the workforce, while maintaining the ability to motivate and retain the leadership needed to guide the Group through continued uncertainty.

2025 EXECUTIVE REMUNERATION

2025 Short-term Incentive Plan Outcome

The Committee assessed performance in 2025 against the Group's business scorecard, which measures financial, operational, safety and ESG outcomes aligned to the Group's strategic priorities.

Financial performance for the year fell short of expectations, impacted by the suspension of VAT refunds, weaker iron ore prices and the curtailment of operations to preserve liquidity. In contrast, safety performance exceeded target, reflecting continued progress driven by strong leadership, discipline and risk management in a highly challenging operating environment. Progress against people and diversity objectives was also strong, demonstrating a sustained commitment to inclusion and capability building despite significant operational disruption.

Operational delivery was mixed, combining strong execution with deliberate management decisions. Production and sales volumes exceeded target, supported by robust customer demand following a successful shift towards higher-grade concentrates and greater flexibility in the product mix. Taking all measures together, the overall scorecard outcome for 2025 was assessed at 46.6% of the maximum achievable outcome.

Remuneration Committee discretion

While the scorecard outcome reflected strong performance across a number of operational, safety and people measures, the Committee exercised discretion having regard to the Group's financial position and liquidity constraints. In these circumstances, the Committee concluded that it would not be appropriate to crystallise an annual bonus award at this time. Any determination of a bonus outcome for 2025 has therefore been deferred, subject to a future assessment of affordability and cash generation. The Committee will review the position at mid-year, taking into account the Group's financial position, progress on VAT refunds, liquidity outlook and the broader stakeholder context. This approach reflects the Committee's commitment to responsible capital stewardship, alignment with shareholder experience and fairness across the wider workforce, particularly in a year where difficult decisions have been required to support the long-term sustainability of the business.

Under the policy, bonuses are normally delivered with 75% paid in cash and 25% delivered in deferred shares vesting after two years, although the Committee retains full discretion over whether a bonus is awarded and, if so, its quantum and form of delivery. In light of the Group's current liquidity position, the ongoing volatility in the Company's share price arising from the war in Ukraine and the wider stakeholder context, the Committee has not yet determined whether a bonus will be declared in respect of 2025 or the manner of any such award. Any decision will only be taken if, and when, the Committee is satisfied that an award is affordable, appropriate and aligned with the long-term interests of shareholders and other stakeholders.

Full details of the scorecard performance assessment are set out on page 174.

2023 Long-term Incentive Plan

The 2023 Long-term Incentive Plan ("LTIP") award was subject to performance conditions over the three-year period to 31 December 2025, based on relative TSR performance against a tailored comparator group (85% weighting) and the proportion of 67% Fe pellet production (15% weighting).

The ongoing war in Ukraine continued to negatively impact the Group's share price, resulting in TSR underperformance relative to the comparator group and no vesting under the TSR element. In relation to the 67% Fe pellet production measure, the Group did not produce these pellets in 2023, achieved record production in 2024, and produced only limited volumes in 2025. As a result, the proportion of 67% Fe pellets over the three-year period was 4.35%, exceeding the threshold target of 3% and delivering vesting of 7.1% out of the maximum 15% available for this element of the award.

Accordingly, the Committee confirmed overall vesting of the 2023 LTIP award at 7.1% of maximum and was satisfied that this outcome, together with the deferral of the decision on the 2025 bonus, appropriately reflected the Group's performance, financial circumstances and wider stakeholder experience, and that the Remuneration Policy operated as intended during the year.

2026 application of Remuneration Policy

For 2026, the key implementation highlights are as follows:

- As a result of the ongoing war and current liquidity constraints, the Remuneration Committee has provisionally determined that it is appropriate to continue to freeze Executive Director salaries/fees. However, should circumstances change and a salary increase pool be determined later in the year, the Remuneration Committee reserves the right to include Executive Directors in the review process.
- The annual bonus opportunity for the CFO will remain at 150% of salary. Performance will be measured against similar performance measures as those used in 2025, as summarised on page 174. The performance targets set for the 2026 STIP reflect the current operating environment – targets are set with reference to the Company's budget each year, and the Committee has the ability to take a rounded view of performance when determining payouts having had regard to the dynamic external environment caused by the ongoing Russian invasion of Ukraine. Full details are included on page 175.
- With regard to the Executive Chair, as a result of this role continuing over an extended period given the unique circumstances of his appointment, the Remuneration Committee is reviewing the appropriateness of participation in the short-term incentive plan for this role. The Committee intends to make bonus payments either wholly in cash or as a combination of cash and shares. A final decision on this will be taken at the time of making bonus awards in 2027.
- The Committee intends to grant the CFO a Restricted Share award over 230,640 shares, circa 30% of his salary (as at 3 March 2026). The award, calculated as a multiple of base salary, is broadly similar to the award granted in 2025 which had a face value of circa 25% of salary. The 2026 award takes into account the need to retain and motivate the CFO in the current challenging commercial circumstances as well as affordability. In line with the Policy, the award will vest three years after grant, subject to continued service, with any shares vesting subject to a two-year holding period. The award will also be subject to a performance underpin, with further details set out on page 176.

Consideration of shareholders and employees

The Committee remains committed to maintaining open and constructive dialogue with shareholders and welcomes ongoing feedback on executive remuneration. In line with statutory requirements, the Policy will be submitted for shareholder approval again at the 2027 Annual General Meeting, with a comprehensive review planned during 2026. We will engage with shareholders on any proposed changes at the appropriate time to ensure continued alignment with best practice, shareholder expectations and the Company's strategic priorities.

In making remuneration decisions during the year, the Committee also considered feedback from the wider workforce. This included insights from the annual employee engagement survey, workforce engagement sessions held in late 2025 across all levels of the organisation, and direct feedback from site visits undertaken by the former Employee Engagement Non-executive Director, Vitalii Lisovenko. These engagement activities covered employee experience, remuneration and benefits, and understanding of the alignment between executive pay and the wider reward framework. The Committee views this feedback as an important input into ensuring fair, transparent and aligned remuneration outcomes.

Feedback highlighted growing concern among employees in Ukraine regarding pay levels, reflecting sustained inflation, currency depreciation and lower and more variable production. While employees welcomed the absence of layoffs in a challenging operating environment, they noted that real earnings have declined relative to pre-war levels and that rising living costs have eroded historical pay advantages. The Committee recognises the seriousness of these issues and notes that steps are being taken, where possible, to address pay adequacy, although outcomes have been constrained by lower production levels, liquidity pressures and the need for furloughs and reduced working hours for some employees as a result of inconsistent power supply for operations. A general pay increase of 20% for operational employees has been budgeted for 2026, subject to liquidity and operational conditions, and more frequent communication with employees is planned during the year to support ongoing engagement and transparency.

I hope you are able to support the rationale for the decisions we have taken during the year and support the advisory vote on the Remuneration Report at the 2026 AGM. If you have any questions or comments, please feel free to reach out through the Chief Human Resources Officer (email: g.nortje@ferrexpo.ch).

Fiona MacAulay

Chair of the Remuneration Committee
3 September 2026

2025 PERFORMANCE HIGHLIGHTS

US\$(7.89)

FCF sales/t

US\$0.51

NOCF/t

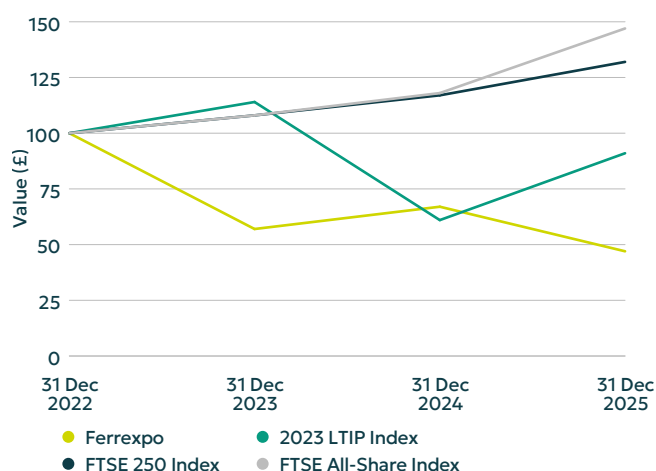
US\$27.6M

EBITDA

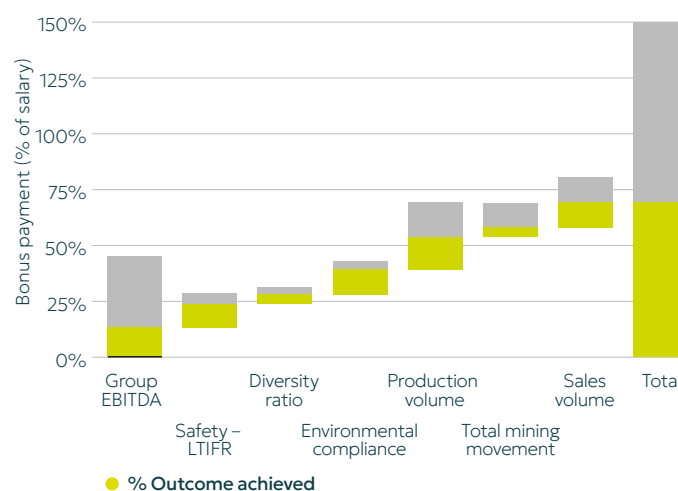
10%

Salaries % C1 & C4 costs

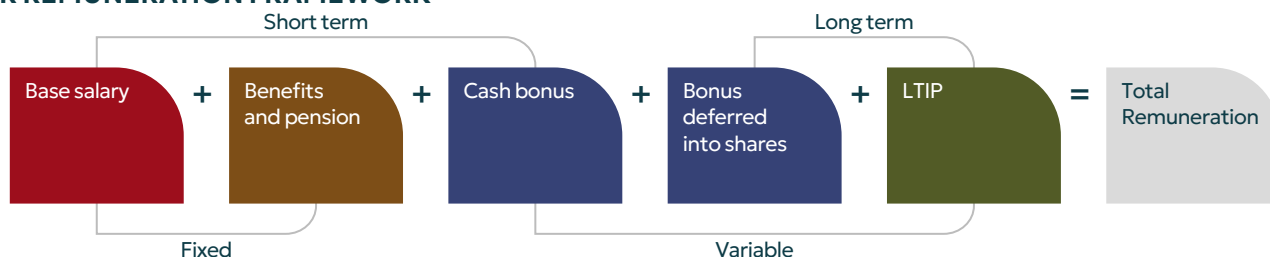
Total Shareholder Return



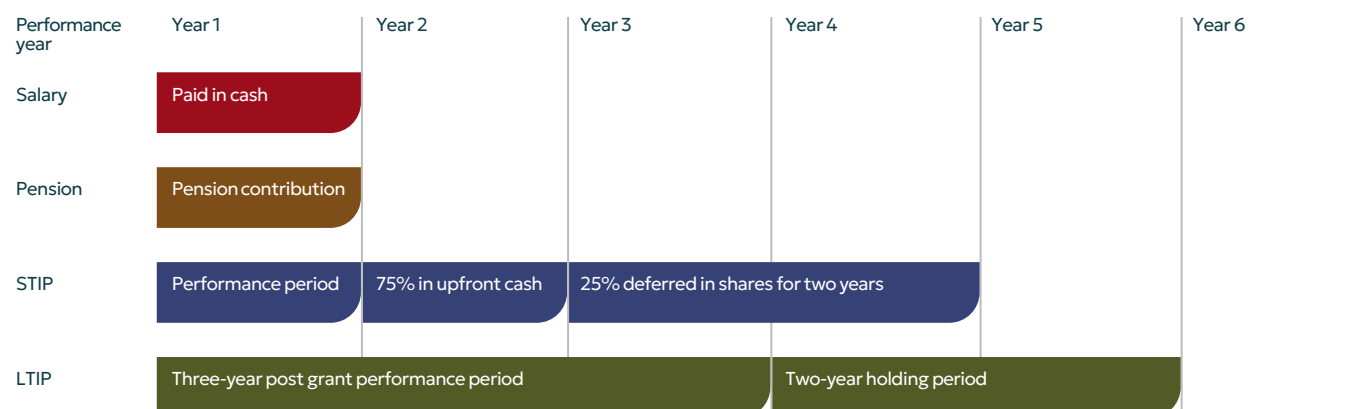
Business scorecard 100% of bonus



OUR REMUNERATION FRAMEWORK



DELIVERY OF REMUNERATION



REMUNERATION REPORT CONTINUED

HOW OUR STRATEGY AND KPIS ARE REFLECTED IN OUR PERFORMANCE FRAMEWORK

Key measure	Weighting in annual bonus	Alignment to strategy	Direct alignment to stakeholder groups
Group EBITDA	30%	Reflects the Group's ability to generate cash through high-quality production and low-cost operations, supporting disciplined capital allocation and financial resilience.	
Safety – LTIFR	10%	A core indicator of sustainable operations, reinforcing a strong safety culture that underpins reliable production, cost efficiency and long-term value creation.	 
Diversity ratio	5%	Supports the focus on sustainability by promoting inclusive leadership, strengthening decision-making and building organisational capability for long-term performance.	 
Environmental plan compliance	10%	Directly aligned with the sustainability pillar, ensuring responsible operations, regulatory compliance and the protection of the Group's license to operate.	 
Production volume	20%	Measures delivery of high-quality production and operational reliability, while informing cost efficiency and capacity planning.	 
Total mining movement	10%	Indicates the effectiveness of mining operations and cost control, supporting low-cost production and disciplined deployment of capital.	 
Sales volume	15%	Demonstrates the strength of customer relationships and market positioning, aligned with the strategy of maintaining world-class customer networks.	 

 Customers
  Employees
  Surrounding Communities
  Investors

 [Read more about our strategy on page 32](#)

 [Read more about our KPIs on pages 36](#)

Fair pay context

Ferrexpo's Directors uphold a culture of ensuring we offer competitive and fair remuneration to all our people. Our approach across our business is guided by the six principles set out below.

01 Fairness

We seek to provide fair and equitable remuneration that reflects the responsibilities, experience, and performance of each individual. Pay outcomes are regularly reviewed to ensure consistency across the organisation and alignment with internal relativities.

02 Non-discriminatory

Remuneration decisions are made without discrimination based on gender, age, ethnicity, nationality, disability, or any other arbitrary characteristic. We are committed to equal pay for work of equal value and monitor outcomes to identify and address any unjustified disparities.

03 Market competitive

Total remuneration is benchmarked against relevant peer groups and labour markets to ensure we can attract and retain suitably skilled employees. External market data is considered alongside internal factors when setting pay levels.

04 Performance linked

A significant portion of remuneration is linked to individual, team, and business performance. This ensures that reward outcomes are aligned with the achievement of strategic objectives and the creation of long-term value.

05 Transparency and clarity

Our remuneration structures and decision-making processes are clearly defined and communicated. Employees are provided with clear information on how their pay is determined and how performance influences reward outcomes.

06 Sustainability and affordability

Remuneration outcomes are considered in the context of the company's financial performance, liquidity, and long-term sustainability. We aim to balance appropriate reward with responsible cost management and the interests of shareholders and other stakeholders.

AT A GLANCE – EXECUTIVE DIRECTOR REMUNERATION FOR 2025 (NOT SUBJECT TO AUDIT)

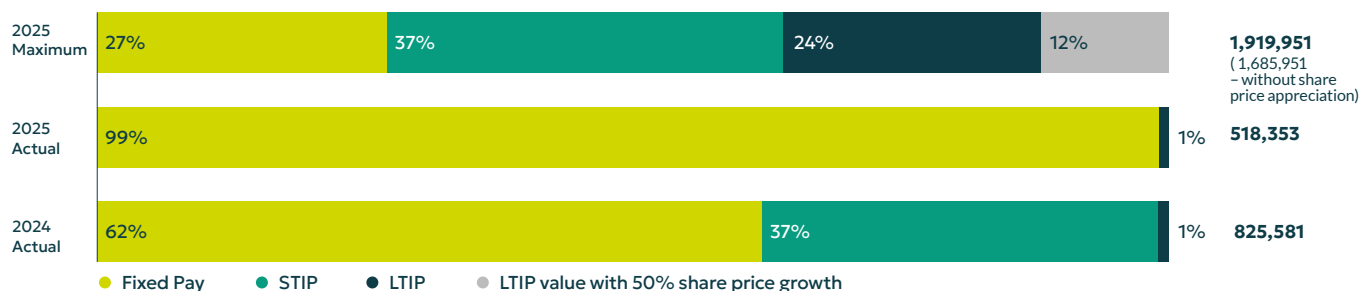
TOTAL REMUNERATION OUTCOMES

Interim Executive Chair – Lucio Genovese – US\$



1. The 2025 maximum opportunity and the 2025 and 2024 actual figures for Mr Genovese include the actual value of earned salary and pension and benefits in the relevant year, including his fee of US\$525,000 earned as Board Chair. Mr Genovese does not currently participate in any executive incentive plans.

CFO – Nikolay Kladiev – CHF



- The 2025 maximum opportunity figures for Mr Kladiev include the actual 2025 value of earned salary and pension and benefits, the maximum 2025 STIP bonus opportunity (150% of salary), and the maximum LTIP 2023 award value at grant (100% of salary), based on the maximum number of shares that could have vested and the market share price on the date of grant and assuming 50% share price growth.
- The 2025 and 2024 actual figures are based on the single total figure table, including salary, pension and benefits received during each year, the annual STIP bonus awarded in respect of performance each year, and the value of the LTIP award with its performance period ending that year (2025: LTIP 2023 award; 2024: LTIP 2022 award).

BONUS AND LTIP OUTCOMES

STIP OUTCOME:

46.6% of maximum.

Final confirmation of the bonus outcome has been deferred until mid-year 2026 pending an assessment of the Group's financial position, VAT refunds, liquidity outlook and wider stakeholder context.

The Committee assessed 2025 performance against the Group's business scorecard, covering financial, operational, safety and ESG measures aligned with strategic priorities.

Financial performance was below expectations, with EBITDA impacted by the suspension of VAT refunds, weaker iron ore prices and the curtailment of operations to preserve liquidity. In contrast, safety performance exceeded target, with a further reduction in the Group's historical five-year LTIFR average, reflecting strong leadership and risk management in a highly challenging environment. Progress against people and diversity objectives was also strong, with women in leadership roles increasing to 25.8%, well ahead of the annual target. In terms of operational performance, pellet and concentrate production volumes exceeded target, as did sales volumes, supported by strong demand and increased flexibility in the product mix.

Overall, the Committee assessed the 2025 scorecard outcome at 46.6% of maximum. As noted in the Chair's Statement, the final determination of the bonus outcome has been deferred, subject to a future assessment of affordability and cash generation.

LTIP 2023 OUTCOME:

7.1% of maximum.

Vesting of the 2023 LTIP award was based on TSR performance against a tailored comparator group (85% weighting) and the proportion of 67% Fe pellet production (15% weighting) over the three-year period to 31 December 2025.

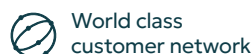
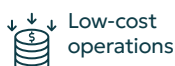
The ongoing war in Ukraine continued to weigh on the Group's share price, resulting in TSR underperformance against the bespoke comparator group and no vesting under this element. In respect of 67% Fe pellet production, no such pellets were produced in 2023, while 2024 was a record year, and only a limited volume was produced in 2025. As a result, 67% Fe pellets represented 4.35% of total pellet production over the performance period, exceeding the 3% threshold and delivering vesting at 7.1% of the 15% weighting for this element.

The Committee therefore confirmed overall vesting of the 2023 LTIP award at 7.1% of maximum. The Committee is satisfied that this outcome appropriately reflected the Group's performance, financial circumstances and wider stakeholder experience over the performance period.

SUMMARY OF OUR DIRECTORS' REMUNERATION POLICY

The Directors' Remuneration Policy was approved by 99% of shareholders at the 2024 AGM on 23 May 2024 and will remain in effect until the 2027 AGM. A summary of the policy is set out below. The full policy can be found on our website in the 2023 Annual Report <https://www.ferrexpo.com/investors/results-reports-and-presentations/>.

OUR STRATEGY



 See our strategy on page 32 of the Strategic Report

Element	Operation	Implementation in 2026	Time-horizon				
			2025	2026	2027	2028	2029
Salary: To attract and retain talent by ensuring base salaries are competitive in the market in which the individual is employed	- Annual review by the Committee - Increases typically in line with wider workforce	Salaries as at 1 January 2026: - Interim Executive Chair: US\$825,000 - CFO: CHF468,000					
Link to strategy 							
Pension and benefits: To provide market competitive benefits	Aligned with pension and benefits offered to local workforce	- Interim Executive Chair: 16.2% of salary - CFO: 10.2% of salary					
Link to strategy 							
Short-term Incentive Plan ("STIP"): To focus management on delivery of annual business priorities which tie into the long-term strategic objectives of the business	- Maximum opportunity of 150% of salary - Target opportunity of 75% of salary 25% of bonus normally deferred into shares for two years	- Opportunity in line with Policy - Combination of financial, operational and ESG targets to apply - Safety underpin - Targets set to reflect the Company's 2026 budget with Committee judgement to be used to assess the extent of under or over performance so that there is flexibility to take into account the dynamic environment caused by the ongoing war in Ukraine					
Link to strategy 							
Long-term Incentive Plan ("LTIP"): To motivate participants to deliver appropriate longer-term returns to shareholders by encouraging them to see themselves not just as managers, but as part-owners of the business	- Restricted Share award with a maximum of 100% of salary (150% in exceptional circumstances) - Vesting period of three years with a two-year post-vesting holding period	- Award of 30% of salary for CFO - Performance underpin: the Committee will consider the Company's performance relative to its mid- to long-term financial, operational and sustainability plans as well as individual performance and may reduce the vesting level, including to zero, if performance is not considered consistent with the Board's plans. This assessment will take into account the dynamic operating environment that currently prevails as a result of the Russian invasion of Ukraine					
Link to strategy 							
Share ownership guideline: To provide alignment of interests between Executive Directors and shareholders	- Executive Directors are required to build and maintain a shareholding of 200% of salary. - Applies for two years post-cessation of employment.	- In line with Policy - The share ownership guidelines are not currently expected to apply to the Interim Executive Chair					
Link to strategy 							
			200% of salary				

Malus and clawback

Malus and clawback provisions are included in contracts of employment and in scheme documentation which Executive Directors are required to accept to receive payments under the STIP or LTIP. The provisions apply over the following time periods:

	Malus	Clawback
STIP Awards	To such time as payment is made	Up to two years following payment
Portion of bonus deferred into shares	To such time as the award vests	Up to two years following vesting
LTIP Awards	To such time as the award vests	Up to two years following vesting

The Committee is comfortable that these are appropriate as any circumstances that would give rise to the potential operation of malus and clawback would likely be identified within these time periods, thereby ensuring that incentive outcomes appropriately reflect long-term performance and responsible conduct. Our malus and clawback provisions support strong governance by enabling the Company to adjust or recover awards in circumstances where performance outcomes are later found to be unsustainable or achieved through inappropriate risk-taking or misconduct.

The provisions would normally be enforced by reducing the number of shares and/or cash subject to outstanding and unvested awards in the first instance. The circumstances in which malus and clawback may apply under the STIP or LTIP include:

- In the case of individual gross misconduct;
- An error in assessing performance against a condition or underpin;
- Corporate failure (for which the individual was partly or wholly responsible); and/or
- In the event that a participant is found legally responsible for a material misstatement of the Annual Accounts, or a failure of risk management or reputational damage to the Company.

No malus and clawback provisions were applied in 2025.

External appointments

It is the Board's policy to allow the Executive Directors to accept directorships of other quoted companies, provided that they have obtained the consent of both the CEO and Chair of the Board (i.e. the Executive Chair only while he remains in post) and notified the Board. No external directorships of quoted companies are currently held by the Executive Directors.

Details of Executive Directors service contracts

The CFO, Nikolay Kladiev, is employed under a contract of employment with Ferrexpo AG, a Group company (the "employer"), as is Lucio Genovese in respect of the executive function of his role. The principal terms of their service contracts not otherwise set out in this report are as follows: save in circumstances justifying summary termination, Mr Kladiev's service contract is terminable on not less than six months' notice to be given by the employer or not less than six months' notice to be given by Mr Kladiev. Given the interim nature of Mr Genovese's role, these periods are three months respectively and the contract is for a fixed-term of six months, which can be extended by mutual agreement. Neither contract has any special provisions in the event of a change of control.

Executive Director	Position	Date of contract	Length of current contract	Notice period	
				From employer	From employee
L Genovese ¹	Interim Executive Chair	1 July 2023	6 months	3 months	3 months
N Kladiev	CFO	7 July 2021	Indefinite	6 months	6 months

1. Details of the service contract which governs the additional services which Mr Genovese has agreed to provide while he serves as Interim Executive Chair is included in the table above. Mr Genovese's service contract was extended in December 2025 for a further six months to 30 June 2026.

Details of Non-executive Directors' letters of appointment

The Interim Executive Chair and Non-executive Directors have each entered into a letter of appointment with the Company. The Non-executive Directors are each appointed subject to their election and annual re-election by shareholders. Their appointments may be terminated by either party giving not less than three months' notice. The key terms of current letters of appointment are as follows. The details for Mr Genovese are in respect of the non-executive function of his role only:

Non-executive Director	Position	Date of first appointment	Date of election/re-election
L Genovese ¹	Interim Executive Chair	12 February 2019	2025 AGM
S Brown	Non-executive Director	22 October 2023	2025 AGM
V Lisovenko	Non-executive Director	28 November 2016	2025 AGM
F MacAulay	Non-executive Director	12 August 2019	2025 AGM

PART B: ANNUAL REPORT ON REMUNERATION (AUDITED)

The following section provides details of how the remuneration policy was implemented during the year. Throughout this report, the remuneration of Directors who are paid in foreign currencies is disclosed in local currencies to facilitate year-on-year comparisons, uninfluenced by exchange rate fluctuations.

ADVISORS

Following a competitive tender, the Committee appointed Korn Ferry in October 2019 to provide advice to the Committee. Korn Ferry is a member of the Remuneration Consultants Group and adheres to its code of conduct.

Korn Ferry's fees for services provided to the Committee in 2025 totalled £58,700 which were charged based on the time spent advising the Committee. Korn Ferry also provides general remuneration advice to management in respect of remuneration elsewhere in the Group. The Committee evaluates the support provided by its advisors periodically and is satisfied that the advice received is independent and objective and that the advisors did not have any connections with Ferrexpo which may impair their independence.

The Interim Executive Chair and the CHRO provide guidance to the Committee on remuneration packages of senior executives employed by the Group (but not in respect of their own remuneration).

SINGLE TOTAL FIGURE OF REMUNERATION – AUDITED

The table below sets out in a single figure the total remuneration received by each Executive Director during the year ending 31 December 2025 and the prior year.

	Salary/fee ¹	Benefits ²	STIP ³	LTIP ^{4&5}	Pension ⁶	Other ⁸	Total	Total fixed remuneration (single figure)	Total variable remuneration (single figure)
Interim Executive Chair									
L Genovese (2025)	US\$825,000	–	–	– US\$133,622	–	– US\$958,622	US\$958,622	US\$958,622	–
L Genovese (2024) ⁷	US\$650,000	–	–	– US\$67,790	US\$325,000	US\$1,042,790	US\$1,042,790	–	–
Chief Financial Officer									
N Kladiev (2025)	CHF468,000	–	– CHF2,402	CHF47,951	–	CHF518,353	CHF515,951	CHF515,951	CHF2,402
N Kladiev (2024)	CHF468,000	–	CHF308,310	CHF2,099	CHF47,172	–	CHF825,581	CHF515,172	CHF310,409

1. Base salary: amount earned for the year.

2. Benefits: the taxable value of benefits received in the year (accommodation allowance/provision and healthcare).

3. STIP: the total bonus earned based on performance during the year. Further details are provided on pages 173 to 174.

4. LTIP: the market value of shares that vested based on performance of the relevant year (2025: 7.1% vested; 2024: 8.2% vested). The 2023 LTIP value is based on the closing share price on 6 March 2026 (being the date of approval of vesting by the Committee) of 50.30 pence. The value does not include any dividends as no dividends were declared in the period 1 January 2023 to 31 December 2025. The 2022 LTIP for Mr Kladiev includes dividends of CHF348 paid in the period 1 June 2022 to 31 May 2025 with the value based on the closing price of 51.50 pence on the vesting date of 2 June 2025.

5. Average exchange rates used for LTIP value: 2025 – £1=CHF1.04 (6 March 2026); 2024 – £1=CHF1.11.

6. Pension: N Kladiev receives an employer pension contribution of 8% of salary which is in line with the Swiss employee pension arrangement which is differentiated by age in Switzerland. Mr Genovese receives an employer pension contribution of 10% of his salary as Interim Executive Chair which is in line with the Swiss employee pension arrangement in Switzerland. On top of this contribution, the pension provider levies a risk premium to cover disablement and/or death of a member and provision of a survivor pension. This additional risk premium increases the employer pension contribution in the case of Mr Kladiev to 10.2% and for Mr Genovese to 16.2%.

7. Mr Genovese assumed the role of Interim Executive Chair on 1 July 2023. The table above reflects the amounts paid to Mr Genovese in respect of this role. Remuneration earned in respect of his role as Board Chair of the Company is detailed in the table on the following page. Mr Genovese's base salary was increased on 1 July 2024 from US\$475,000 per annum to US\$825,000 per annum. As indicated in the Chair's Statement, there was no increase in Mr Genovese's salary in 2025.

8. Other: Mr Genovese received a top-up to his executive salary as a result of the additional time commitment of the role in 2024. For further details, please see page 132 of the 2024 Annual Report and Accounts.

NON-EXECUTIVE DIRECTOR FEES

The table below sets out the total remuneration received by each Non-executive Director for the year ending 31 December 2025 and the prior year.

	All figures shown in currency of payment, US\$'000							
	2025				2024			
	Fees	Benefits	Pension	Total	Fees	Benefits	Pension	Total
Non-executive Directors								
L Genovese (Interim Chair) ¹	525	–	–	525	525	–	–	525
V Lisovenko ²	203	–	–	203	203	–	–	203
F MacAulay (Senior Independent Director) ³	252	–	–	252	208	–	–	208
S Brown ⁴	203	–	–	203	178	–	–	178
Former Non-Executive Directors								
N Polischuk ⁵	5	–	–	5	211	–	–	211

1. Mr Genovese assumed the role of Interim Executive Chair from 1 July 2023. The above table reflects his fee as Board Interim Chair. The portion of remuneration earned for his role as Interim Executive Chair is disclosed in the Executive Director table on the previous page. Mr Genovese also serves as a Non-executive Director of Ferrexpo AG and, in 2025, received a fee of US\$80,000 p.a. in respect of this role (2024: US\$80,000).

2. Mr Lisovenko was appointed the Employee Engagement Non-executive Director with effect from 10 February 2022.

3. Ms MacAulay is the SID and Chair of the Remuneration and HSEC Committees.

4. Mr Brown was appointed to the Board and served as Chair of the Audit Committee from 1 January 2024.

5. Ms Polischuk was formerly Chair of the Health, Safety, Environment and Community Committee. She ceased to be a Director on 11 January 2025.

BASE SALARIES NON-INCREASE IN FEES

Base salaries are reviewed annually with reference to the individual's role, experience and performance; business performance; salary levels at relevant comparators; and the range of salary increases applying across the Group. Given the focus on corporate costs within the business, the Remuneration Committee determined that it was appropriate to continue to freeze Executive Director salaries in 2025 and this is currently expected to continue through 2026 albeit should there be a workforce review, the Executive Directors may be considered for a workforce related increase at the relevant time.

Executive Director	Position	Base salary at:	
		1 January 2026	1 January 2025
L Genovese	Interim Executive Chair	US\$825,000	US\$825,000
N Kladiev	CFO	CHF468,000	CHF468,000

PENSIONS AND OTHER BENEFITS

The Group does not operate a separate pension arrangement for Executive Directors. Executive Directors based in Switzerland participate in the Zurich pension scheme, which is mandatory for employees in Switzerland. Employer contribution rates under the scheme are determined by age and apply in respect of the salary attributable to the executive element of each Director's role. The Company contributes 8% of salary for Mr Kladiev and 10% of salary for Mr Genovese. In addition, the Company pays a mandatory risk premium to the insurer to provide cover in the event of death or long-term disability, including survivor benefits. In 2025, this risk premium increased the total employer pension contribution to 10.2% of salary for Mr Kladiev and to 16.2% of salary for Mr Genovese.

2025 STIP OUTCOME

The Company sets its performance targets to ensure that the Executive Directors and other senior executives are motivated to enhance shareholder value both in the short term and over the longer term. For 2025, STIP measures were based on our key operational and financial priorities including production, total mining movement including stripping, Group EBITDA (normalised for realised sales prices), sales volume and safety, diversity and environmental compliance. The choice of performance metrics aligned with sustainable profitable mining in a safe environment.

The specific targets were set with reference to the budgeted performance for each metric, with the Committee retaining judgment on the extent of under or over performance versus budget in light of the dynamic operating environment created by the war. Where targets are exceeded, an above target bonus for that portion of the bonus may be paid (the Committee typically sets the payout based on the extent of over-achievement relative to the target set). Where targets are missed, only a below target bonus for that element may be paid (the Committee typically sets the payout based on the extent of under-achievement relative to the target set). The overall bonus earned is also subject to Committee discretion to ensure there is not a disconnect between overall performance, reward and affordability. This structure retains the same intent as that set out in the 2024 Directors' Remuneration Policy and reflects the inherent challenges in operating in a dynamic war environment (e.g. availability of electricity, distribution routes to market etc.).

The CFO was eligible for a bonus in 2025, at a maximum of 150% of salary with on-target set at 75% of salary. The targets to be achieved, actual performance against these targets and the associated outturn for each are detailed in the table on the following page.

REMUNERATION REPORT CONTINUED

Assessing the overall performance, the Committee determined that performance in relation to 40% of the total bonus exceeded the targets set and was therefore scored at between target and maximum for each of these parts of the bonus. Performance in relation to the remaining 60% of the total bonus was below the targets set and was therefore scored at below target based on the extent of under-performance for each of these parts of the bonus. A full analysis of the factors considered by the Committee when assessing targets is set out below the Business Scorecard below.

Business scorecard 100% of STIP

KPI	Link to strategy	Measure	Weighting, %	Target	Result	% achieved	Target bonus % of salary	Actual bonus % of salary
Financial		Group Cash EBITDA (US\$, million) ¹	30.0%	45.4	27.6	60.7% ●	22.5%	13.7%
ESG		LTIFR (% < FXPO 5-year average (0.52))	10.0%	-10.0%	-13.9%	139.0% ●	7.5%	10.4%
		Diversity Ratio (% Women in leadership (grade 10+))	5.0%	23.5%	25.8%	109.8% ●	3.7%	4.1%
		Environmental plan compliance	10.0%	100%	151.3%	151.3% ●	7.5%	11.3%
Operational		Production volume (pellets only) (kt)	20.0%	6,270	6,142	98.0% ●	15.0%	14.7%
		Total mining movement including stripping (kt)	10.0%	72,735	40,075	55.1% ●	7.5%	4.1%
Sales & Marketing		Sales volume (pellets only) (kt)	15.0%	6,383	6,553	102.7% ●	11.3%	11.6%
Total			100.0%				75.0%	69.9%
Maximum opportunity								150.0%
Scorecard outcome as a percentage of maximum								46.6%
Committee discretion applied							Decision deferred	
Outcome as a percentage of salary							Decision deferred	

● Below target ● Target ● Above target

1. Target restated for actual realised price versus budget as per the terms of the bonus plan (for movements greater than +/- 5%).

The Committee assessed that financial performance for the year fell short of expectations, with EBITDA adversely affected by the suspension of VAT refunds, weaker iron ore prices and the necessary curtailment of operations to preserve liquidity. In contrast, safety performance exceeded target, with a further reduction being achieved during the year in the Group's historical five-year LTIFR average, reflecting the continued focus on leadership, discipline and risk management in an exceptionally challenging operating environment. Progress against people and diversity objectives was also strong, with the proportion of women in leadership roles increasing to 25.8% well ahead of the target set for the year, demonstrating sustained commitment to inclusion and capability building despite the operational disruption experienced across the business.

Performance against the operational delivery KPI was above target while pellet and concentrate production volumes exceeded plan, reflecting a combination of strong execution and purposeful management decisions. Sales volumes also outperformed target levels, reflecting sustained customer demand despite softening commodity prices. Performance was supported by the continued transition towards higher-grade concentrates and increased flexibility in the product mix.

Taking all measures together, the overall scorecard outcome for 2025 was assessed at 46.6% of the maximum achievable outcome.

While the scorecard outcome reflected strong performance across a number of operational, safety and people measures, having regard to the Group's overall financial position, liquidity constraints and importance of maintaining appropriate capital discipline, the Committee determined that it would not be appropriate to crystallise an annual bonus award in current circumstances. The Committee therefore used its discretion to defer the determination of a final bonus outcome for 2025, subject to a future assessment of affordability and cash generation. The Committee will review the position at mid-year, considering the Group's financial position, progress on VAT refunds, liquidity outlook and the broader stakeholder context.

Under the Policy, bonuses are normally delivered with 75% paid in cash and 25% delivered in deferred shares vesting after two years, although the Committee retains full discretion over the form of delivery. The Committee has not yet determined the manner of the bonus award in 2025, if indeed such an award is made. Any decision will only be taken if, and when, the Committee is satisfied that an award is affordable, appropriate and aligned with the long-term interests of shareholders and other stakeholders.

STIP FRAMEWORK FOR 2026

The CFO's 2026 STIP opportunity will remain at 150% of salary for maximum performance, calculated as a percentage of salary earned during the year. Given the continuing dynamic nature of operating during a war, the Committee is to retain the same bonus structure and performance measures as were operated in 2025 for 2026. With regard to the Executive Chair, as a result of this role continuing over an extended period given the unique circumstances of his appointment, the Remuneration Committee is reviewing the appropriateness of participation in the short-term incentive plan for this role.

The measures used for the 2026 bonus are aligned with the Group's priorities and are as set out in the table below.

	Block	Measure	Link to strategy	Weighting
Risk	Financial (60%)	Group EBITDA (US\$)		30%
		Total mining movement (kt)		10%
		Production volume (kt pellets + concentrate)		20%
	Non-financial (40%)	Customer Sales volume – pellets + concentrate (kt sold)		15%
		Colleague – Diversity ratio (% women in leadership) – LTIFR (% reduction)		5% 10%
		Climate Mining environmental plan compliance (% compliance)		10%

LTIP AWARD VESTING (AUDITED)

Vesting of the 2023 Long-term Incentive Plan ("LTIP") award was based on TSR performance against a tailored comparator group (85% weighting) and the proportion of 67% Fe pellet production (15% weighting) over the three-year period to 31 December 2025.

The ongoing war in Ukraine continued to weigh on the Group's share price, resulting in TSR underperformance against the bespoke comparator group and no vesting under this element.

With regard to the production of 67% Fe pellet production, no such pellets were produced in 2023, while 2024 was a record year, and only a limited volume was produced in 2025. As a result, 67% Fe pellets represented 4.35% of total pellet production over the performance period, exceeding the 3% threshold and delivering vesting at 7.1% of the 15% weighting for this element.

Performance against the targets set and the proportion of the award vesting is set out in the table below.

Performance condition	Weighting	Threshold target (20% vests)	Maximum target (100% vests)	Result	
TSR ¹	85.0%	-0.1% p.a. (Index)	7.9% p.a. (Index + 8.0% p.a.)	-20.3% over the period, so 0% out of 85% weighting for this element	Straight line vesting takes place between performance points
Production of 67% Fe pellets ²	15.0%	3.0% over period	7.0% over period	4.35% over the period, so vesting at 7.1% out of 15% weighting for this element	

1. TSR is measured against an index of iron ore and diversified miners.

2. Subject to the cessation of the war in Ukraine and the re-opening of export port facilities enabling delivery to DR-pellet customers.

Details of the number of shares vested under the 2023 Award are set out in the table below.

	Date of grant	Number of shares	Award share price ¹	Value awarded based on grant price	Vesting percentage	Number of shares vested	Value vesting based on grant price	Share price at date of vesting ²	Value based on vesting Price ²	Impact of share price appreciation/depreciation
N Kladijev	09.03.23	64,600	138.6p	£89,536	7.1%	4,587	£6,358	50.3p	£2,307	-64%

1. Based on the closing share price on 9 March 2023 of 138.6 pence.

2. Based on the closing share price on 6 March 2026 of 50.3 pence. There were no dividends paid in the period to include in the valuation of the award.

3. Excludes value of shares in lieu of dividends (2025: nil) in the reporting year.

REMUNERATION REPORT CONTINUED

LTIP GRANTED IN 2025 (AUDITED)

Mr Kladiev was granted a 2025 LTIP award in respect of 136,500 shares as shown in the table below.

Executive Director	Date of grant	Number of shares	Face value ¹	Face value (% of salary)	End of vesting period
N Kladiev	25.03.25	136,500	£84,357	17%	25.03.28

1. Based on the closing share price on 25 March 2025 of 61.8 pence.

The 2025 LTIP award, in line with the 2024 Remuneration Policy, was granted as a Restricted Share Award. The above shares will be eligible to vest three years from grant subject to Mr Kladiev remaining in employment and the satisfaction of a performance underpin.

The performance underpin requires the Committee to consider the Company's performance relative to its mid- to long-term financial, operational and sustainability plans as well as individual performance. The Committee may reduce the vesting level, including to zero, if performance is not considered consistent with the Board's plans. The underpin assessment will take into account the dynamic operating environment that currently prevails as a result of the Russian invasion of Ukraine. The Committee also retains the ability to adjust the number of shares vesting in the event that there is to be a perceived windfall gain.

LTIP FRAMEWORK FOR 2026

A similar approach will operate in relation to 2026 as in 2025. However, reflecting the volatility in the Company's share price that is attributable to the ongoing impact of the war, the Remuneration Committee set Mr Kladiev's Restricted Share Award as a number of shares as opposed to determining the award as a percentage of salary as has been the case in prior years. The award totals 207,087 shares which, allowing for the volatility in the Company's share price has had an equivalent face value of between circa 25% and 50% of salary during 2025. As at year end, the award had a face value of circa 30% of salary. Whilst the 30% of salary award measured as a multiple of salary is above the 25% of salary allocation in 2025, the Remuneration Committee was comfortable awarding at this level given (i) the need to retain CFO in challenging commercial circumstances, (ii) the award is well below comparable FTSE market practice (at 125% to 150% of salary for companies of a comparable size), and (iii) the CFO's salary continues to be frozen.

The Committee will retain the ability to adjust the number of shares vesting in the event that there is to be a perceived windfall gain.

The award will vest three years after grant, subject to continued service, with any shares vesting subject to a two-year holding period. An underpin will also apply prior to vesting, requiring the Remuneration Committee to consider the Company's performance relative to its mid- to long-term financial, operational and sustainability plans as well as individual performance. The Committee may reduce the vesting level, including to zero, if performance is not considered consistent with the Board's plans. The underpin assessment will also take into account the dynamic operating environment that currently prevails as a result of the Russian invasion of Ukraine.

Non-executive Directors (including the Interim Chair)

As set out above, the Board Interim Chair currently receives a combined executive and non-executive fee of US\$1,350,000. The Non-executive portion of US\$525,000 has not been increased vis-à-vis 2025.

The wider Non-executive Directors' fees were also eligible for review at the end of 2025 with the decision taken, as per the wider corporate employee base as noted earlier, to defer any review until July 2026. For completeness, current fees as at 1 January 2026 are as set out below:

Role	Current fee levels	Change
Interim Chair fee	US\$525,000	+0%
Non-executive Director base fee	US\$148,000	+0%
Committee Chair fee ¹	US\$20,000	+0%
Senior Independent Director fee	US\$35,000	+0%
Audit Chair fee	US\$30,000	+0%
Remuneration Chair fee	US\$25,000	+0%
Employee Engagement Director fee	US\$35,000	+0%

1. The fee applies to the Chairs of Committee of Independent Directors, Health, Safety, Environment and Community Committee and Nominations Committee.

In addition to his fee as Interim Executive Chair of the Board, Mr Genovese serves as a Non-executive Director of Ferrexpo AG for which he receives a fee of US\$80,000 p.a.

DIRECTORS' SHAREHOLDINGS (AUDITED)

Total interests of the Directors in office (and connected persons) as at 31 December 2025:

	At 31 December 2025	At 31 December 2024
L Genovese	233,651	233,651
N Kladiev ¹	132,859	129,789
F MacAulay	3,536	3,536
V Lisovenko	–	–
S Brown	–	–
Former Directors		
N Polischuk ²	–	–

1. N Kladiev joined the Board on 25 May 2023.

2. N Polischuk stepped down as a Director on 11 January 2025.

Executive Directors are subject to shareholding requirements under which they are required to build up a holding of shares of equivalent value to 200% of salary. Executive Directors will be expected to retain half of their vested LTIP shares on an after-tax basis until this requirement is met. Shares deferred under the annual bonus and shares that have vested under the LTIP but which are still subject to the two-year holding period will also count towards the guideline, on a net of tax basis, if applicable.

A post-employment share ownership guideline applies under which departing Executive Directors will be expected to retain the lower of their share ownership at cessation of employment and 200% of salary for a minimum period of two years. Only shares deferred under the annual bonus (from 2022, on an after-tax basis) and all shares which vest under awards granted to an Executive Director (from 2022, on an after-tax basis) during an Executive Director's tenure will count for the purposes of the post-cessation guideline. The Committee will retain discretion to disapply the guideline in exceptional circumstances (e.g. death).

Mr Kladiev's shareholding against the guideline as at 31 December 2025 was as follows:

	Shareholding requirement (% salary)	Owned outright	Unvested awards ¹	Current shareholding ² (% salary)	Requirement met?
N Kladiev	200%	132,859	302,500	75.4%	In progress

1. Unvested restricted stock awards subject to vesting. Further details of shares subject to vesting are provided below.

2. Based only on shares owned outright at 31 December 2025, a share price of 74.1 pence on 31 December 2025 and an exchange rate of £1=CHF1.04

Details of LTIP awards held by Mr Kladiev are provided below.

	Award	At 1 January 2025	Granted (2025 award)	Vested	Lapsed	Total at 31 December 2025	Award share price (pence) ¹	End of performance period ²
N Kladiev	2023 Award ³	64,600		4,587	60,013	0	138.6	31.12.25
	2024 Award	166,000				166,000	41.6	01.06.27
	2025 Award		136,500			136,500	61.8	25.03.28
Total		230,600	136,500	4,587	60,013	302,500		

1. For the 2023 Award, based on the closing share price on 9 March 2023 of 138.6 pence. For the 2024 Award, based the closing share price on 31 May 2024 of 41.55 pence. For the 2025 Award, based on the closing price on 25 March 2025 of 61.8 pence.

2. The 2024 and 2025 awards were granted as Restricted Share Awards and so vest based on continued employment and satisfaction of the performance underpin that the Committee will assess over the relevant three-year period. For the 2024 award the vesting date is 1 June 2027 and for the 2025 award the vesting date is 25 March 2028.

3. The vesting of the 2023 Award is set out on page 175.

There have been no changes in the interests of the Directors from the end of the period under review to 28 May 2026, being a date not more than one month prior to the date of the Notice of the AGM. Total outstanding (i.e., awarded but not yet vested) awards granted under the LTIP as at the end of 2025 are equivalent to 0.051% of issued share capital.

REMUNERATION REPORT CONTINUED

PAYMENTS TO PAST DIRECTORS AND FOR LOSS OF OFFICE (AUDITED)

Mr Wolfram Kuoni retired from the Ferrexpo plc Board on 28 November 2016 and serves as Chair of Ferrexpo AG. In 2025, he received a fee of US\$100,000 for his role as Chair.

In 2025, there were no payments made for loss of office and no other payments made to past Directors that have not been previously disclosed.

PERCENTAGE CHANGE IN DIRECTORS' REMUNERATION COMPARED TO EMPLOYEES

The table below sets out the percentage change in salary, taxable benefits and annual bonus between 2025 and 2024, and prior periods for the Directors of the Company and the average for an all-employee population.

	2025 vs 2024			2024 vs 2023			2023 vs 2022			2022 vs 2021			2021 vs 2020		
	Change in salary/fees	Change in benefits	Change in bonus	Change in salary/fees	Change in benefits	Change in bonus	Change in salary/fees	Change in benefits	Change in bonus	Change in salary/fees	Change in benefits	Change in bonus	Change in salary/fees	Change in benefits	Change in bonus
All employee average¹	-0.5%	0%	-100.0%	-4.6%	0%	-0.9%	7.6%	0%	-29.7%	3.0%	0%	-16.8%	13.4%	0%	31.7%
N Kladiev (CFO) ²	0%	0%	-100.0%	6.2%	0%	-8.0%	N/A	N/A	N/A	-	-	-	-	-	-
L Genovese (Interim EC) ³	0%	0%	0%	310.5%	0%	0%	90%	0%	0%	0%	0%	0%	400.0%	0%	0%
V Lisovenko (EED) ⁴	0%	0%	0%	0%	0%	0%	5%	0%	0%	0%	0%	0%	0%	0%	0%
F MacAulay ⁵ (SID)	0%	0%	0%	0%	0%	0%	5%	0%	0%	0%	0%	0%	35.0%	0%	0%
S Brown ⁶	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	-	-
Former Directors															
N Polischuk ⁷	0%	0%	0%	0%	0%	0%	5%	0%	0%	0%	0%	0%	-	-	-

1. The All Employee population is based on the remuneration for the Executive Committee. This population is being used as Ferrexpo plc does not have any employees. The chosen population is considered the most relevant employee comparative group given the Group-wide nature of roles performed by incumbents. The change in salary/fees noted in the table is due to fluctuations in average exchange rates between local currencies and the US\$.

2. N Kladiev was appointed to the Board as CFO with effect from 25 May 2023.

3. Mr Genovese was appointed to the Board in February 2019 and appointed Interim Executive Chair in August 2020. He assumed the role of Interim Executive Chair with effect from 1 July 2023.

4. Mr Lisovenko served as SID from August 2019 until February 2022 when he was appointed Employee Engagement Director ("EED") and received the same additional fee as when he served as SID.

5. Ms MacAulay was appointed to the Board in August 2019, and was appointed SID in February 2022.

6. Mr Brown was appointed to the Board on 22 October 2023.

7. Ms Polischuk was appointed to the Board on 29 December 2021 and stepped down as a Non-executive Director on 11 January 2025.

RELATIVE IMPORTANCE OF SPENDING ON PAY

The table below shows Ferrexpo's dividend and total employee pay expenditure (this includes pension and variable pay, including STIP and the fair value of LTIP awards, but not social security) for the financial years ended 31 December 2025 and 31 December 2024, and the percentage change.

US\$ million	2025	2024	Year-on-year change
All-employee remuneration	70	79	-11.4%
Distributions to shareholders ¹	0	0.47	-100.0%

1. Includes dividends and share buy-backs.

CONSIDERATION OF SHAREHOLDERS AND EMPLOYEES' VIEWS

The Board keeps up to date with the current views of our wider workforce and provides information, including on executive pay and the alignment of pay across the workforce, through a variety of engagement methods across multiple channels at different levels of our organisation.

Employee engagement survey

The Committee considered feedback from the annual employee engagement survey as a key input into its remuneration decision-making. The survey highlighted growing concern among employees in Ukraine regarding pay levels, reflecting sustained inflation, currency depreciation, and the impact of lower and more variable production levels. Employees also noted that, in real terms, earnings have declined compared with pre-war levels while the cost of living has risen materially. These insights informed the Committee's assessment of pay adequacy and affordability across the Group. Read more on page 27.

Employee voice and engagement

Employee views were gathered through multiple channels, including the annual engagement survey, direct workforce engagement sessions held in late 2025, and site visits conducted by the former Employee Engagement Non-executive Director, Vitalii Lisovenko. These interactions involved a broad cross-section of employees at all levels and explored topics such as remuneration, benefits, and the perceived alignment between executive pay and the wider workforce reward framework. Employees expressed appreciation for the Company's efforts to avoid layoffs despite the challenging operating environment, while also raising concerns about pay sustainability. The Committee considers employee feedback to be an important component of its deliberations and remains committed to ongoing engagement and transparent communication. Read more on page 27.

Workforce policies and practices

The Committee recognises the significant pressures facing the workforce, particularly in Ukraine, where approximately 25% of employees are estimated to be earning below a sustainable living wage. While historically the Group paid above local market benchmarks, inflation and currency movements have eroded this position. Pay outcomes have been adversely affected by reduced production levels due to the link between remuneration and output, as well as liquidity constraints that have necessitated furlough arrangements and reduced working hours for some employees. The Committee notes that steps are being taken, where possible, to address pay adequacy, including budgeting for a general pay increase in 2026 of 10%, subject to liquidity, financial performance, ongoing operational conditions and successful fundraise.

Shareholder views

The Committee takes into consideration views expressed by shareholders and their proxy advisers regarding remuneration, either at the AGM, by correspondence, at one-to-one or Group meetings and shareholder events or otherwise by considering these views at the relevant Committee meetings which are subsequently reported to and considered by the Board as a whole. The Committee takes shareholder and proxy adviser feedback into careful consideration when reviewing remuneration and regularly reviews the Directors' Remuneration Policy in the context of key institutional shareholder guidelines and best practice. It is the Committee's policy to consult with major shareholders prior to making any major changes to its executive remuneration structure.

REMUNERATION REPORT CONTINUED

COMPARISON OF COMPANY PERFORMANCE AND EXECUTIVE DIRECTOR PAY

The graph below shows the value, at 31 December 2025, of £100 invested in Ferrexpo's shares on 31 December 2015 compared with the current value of the same amount invested in the FTSE 250 and All-Share indices and in the shares of the LTIP comparator group. The FTSE 250 and All-Share indices are chosen because Ferrexpo was a constituent member of the FTSE 250 for the majority of the period.



CHIEF EXECUTIVE OFFICER'S PAY

	2016	2017	2018	2019	2020 ¹	2021	2022	2023 ²	2024	2025
	KZ	KZ	KZ	KZ	CM/JN	JN	JN	JN/LG	LG	LG
Single figure total remuneration (US\$'000)	243	255	251	257	595/1,147	2,473	2,147	540/249	1,043	959
STIP vesting (% max)	K Zhevago did not participate in the STIP				36/67	67	50	0/ N/A	L Genovese does not participate in the STIP	
LTIP vesting (% max)	K Zhevago did not participate in the LTIP				0/0	100	72	17/ N/A	L Genovese does not participate in the LTIP	

1. 2020 single figure remuneration total based on the total for Mr Mawe in the period from 1 January to 28 May 2020 and for Mr North in the period between 28 May and 31 December 2020.
2. 2023 single figure remuneration total based on the total for Mr North as CEO in the period from 1 January to 30 June 2023 and for Mr Genovese as Executive Chair in the period from 1 July to 31 December 2023.

STATEMENT OF SHAREHOLDER VOTING

The following table shows the results of the binding vote on the Remuneration Policy and the advisory vote on the 2023 Remuneration Report at the 2024 AGM.

	For		Against		Withheld
	Shares (millions)	%	Shares (millions)	%	Shares (millions)
Remuneration Policy (at 2024 AGM)	431	99.0%	1.0%	37,376	37,376
2024 Remuneration Report (at 2025 AGM)	416	98.6%	1.4%	45,576	33,171

This report was approved by the Board on 3 September 2026.

Signed on behalf of the Board

Fiona MacAulay

Chair of the Remuneration Committee
3 September 2026

INTRODUCTION

The Company was incorporated under the name Ferrexpo plc as a public company limited by shares on 22 April 2005. Ferrexpo plc listed on the London Stock Exchange in June 2007.

The Directors present their Annual Report and Accounts on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 31 December 2025.

The ongoing war in Ukraine continues to have an adverse impact on the Group's cash flow generation and profitability as the access to logistics network required for the Group's seaborne sales, although open remains restricted. The war poses a material uncertainty in respect of the Group's going concern assessment (see Note 2 Basis of preparation to the Consolidated Financial Statements on page 205 for further details).

The Group is also exposed to the risks associated with operating in a developing economy, which may or may not be exacerbated by the war and/or the current circumstances facing Mr Zhevago (see Ukraine country risk in the Principal Risks section on pages 103 to 106). As a result, the Group is exposed to a number of risk areas that are heightened compared to those expected in a developed economy, such as an environment of political, fiscal and legal uncertainties, which represents another material uncertainty as at the date of approval of these consolidated financial statements. Note 30 Commitments, contingencies and legal disputes provides further information on ongoing legal proceedings and disputes, including a contested sureties claim in the amount of UAH4,727 million (US\$112 million as at 31 December 2025), for which the Group recognised a full provision in accordance with the relevant accounting standard. Information about the use of financial instruments by the Group is given in Note 27 Financial instruments to the Consolidated Financial Statements on page 238.

DIVIDENDS

Results for the year are set out in the Consolidated Income Statement on page 200.

Like the financial year 2024, the Group did not make any dividend payments during the financial year 2025.

In view of the on-going war in Ukraine and the Group's financial position, the Board has not declared an interim dividend in conjunction with the Group's full year results for 2025. The Board will continue to assess the situation and, when appropriate, will make a decision in relation to shareholder returns.

DIRECTORS

The Directors of the Company who served during the year were:

- Lucio Genovese
- Nikolay Kladiiev
- Vitalii Lisovenko (retired 29 June 2026)
- Fiona MacAulay
- Natalie Polischuk (resigned 11 January 2025)
- Stuart Brown

Except for Natalie Polischuk who resigned on 11 January 2025 and Vitalii Lisovenko who retired at the AGM on 29 June 2026 and did not seek re-election following nine years' service on the Board, all of the Directors retired and were re-elected at the 2026 AGM.

Further details about the Directors and their roles within the Group are set out in the Directors' biographies on pages 126 to 127. Details of the remuneration of the Directors, their interests in shares of the Company and their service contracts or letters of appointment are contained in the Remuneration Report on pages 163 to 180.

APPOINTMENT AND REPLACEMENT OF DIRECTORS

Directors may be elected by the shareholders (by ordinary resolution) or appointed by the Board. A Director appointed by the Board holds office only until the next AGM and is then eligible for election by the shareholders.

POWERS OF THE DIRECTORS

Subject to the Articles, the Act and any directions given by special resolution, the business of the Company will be managed by the Board which may exercise all the powers of the Company.

DIRECTORS' AND OFFICERS' INSURANCE

The Company maintains Directors' and Officers' Liability Insurance in respect of legal action that may be brought against its Directors and Officers.

DIRECTORS' INDEMNITY PROVISION

As at the date of approval of this Directors' Report, the Group had in force a qualifying third party indemnity provision in favour of each of the Directors of Ferrexpo plc against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Act.

ADDITIONAL DISCLOSURES

Additional disclosures which are incorporated by reference into this Directors' Report, including any information required in accordance with UK Listing Rule 6.6.1R of the UK Listing Rules, where applicable to the Company, or the Act can be located as set out in the following table:

		Page
Capitalised interest (UKLR 6.6.1R (1))	See Note 10 Net finance expense to the Consolidated Financial Statements	215
Details of long-term incentive schemes (UKLR 6.6.1R (3))	Remuneration Report	163
Contracts of significance (UKLR 6.6.1R (9))	See Note 30 Commitments, contingencies and legal disputes and Note 34 Related party disclosures to the Consolidated Financial Statements. Transactions with FC Vorskla are considered to be contracts of significance under the UK Listing Rules	246 256
Details of waivers of dividends by shareholders (UKLR 6.6.1R (11) and (12))	As at 1 September 2026, the Employee Benefit Trusts contain 9,712,678 Ferrexpo Ordinary Shares for satisfying existing and future awards under management incentive schemes. A dividend waiver is in place in respect of these shares	–
Board statement on carrying on business independently from controlling shareholders (LR 6.6.1R (13)).	Corporate Governance Report	119
Disclosures concerning greenhouse gas emissions	Strategic Report	68
Engagement with suppliers, customers and others	Strategic Report	74
Financial instruments	The Group does not hold any derivative financial instruments. Group policy on financial instruments is set out in Note 27 Financial instruments to the Consolidated Financial Statements	238
Events since the balance sheet date	See Note 35 Events after the reporting period to the Consolidated Financial Statements	258
Likely future developments in the business	Strategic Report	29
Statement of Directors' responsibilities in respect of the Annual Report and Accounts	Corporate Governance Report	188
Information that fulfils the requirements of DTR 7.2 (other than DTR 7.2.6)	Corporate Governance Report	119

DISCLOSURES REQUIRED BY STATUTE

Employees

Information on the Group's employment policies can be found in the Strategic Report on pages 66 to 67. Employee numbers are stated in Note 29 Employees to the Consolidated Financial Statements on page 245. The Group employs fewer than 250 staff in the United Kingdom and therefore it does not disclose its policies on employee involvement or employing disabled people. However, the Group gives fair consideration to applications for employment from disabled people.

Political donations

The Group made no political donations, political expenditure or political contributions during the year.

Energy consumption and greenhouse gas emissions reporting

The Company is a UK quoted company and reports energy and greenhouse gas emissions information in accordance with the Streamlined Energy and Carbon Reporting requirements. The Group's global energy consumption, gross Scope 1 and Scope 2 greenhouse gas emissions, intensity ratio, methodology and energy efficiency actions are disclosed in the Strategic Report on page 69. UK and offshore energy consumption was less than 40,000 kWh in 2025 and represented less than 0.001% of the Group's total energy consumption (2024: 0.001%). UK and offshore greenhouse gas emissions represented less than 0.001% of the Group's total Scope 1 and Scope 2 greenhouse gas emissions (2024: 0.001%).

Share capital and rights attaching to the Company's shares

The Company has a single class of Ordinary Shares of 10 pence each.

Subject to applicable statutes and other shareholders' rights, shares may be issued with such rights and restrictions as the Company may by ordinary resolution decide, or (if there is no such resolution or so far as it does not make specific provision) as the Board may decide. At each AGM, the Board typically proposes resolutions to the shareholders seeking authority for the Company's Directors to allot new shares in accordance with relevant institutional investor guidelines.

Details of the issued share capital of the Company are shown in Note 31 Share capital and reserves to the Consolidated Financial Statements on page 254.

VARIATION OF RIGHTS

Subject to the provisions of the Act, the rights attached to a class of shares may be varied or abrogated either with the consent in writing of the holders of at least three-quarters of the nominal amount of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class validly held in accordance with the Articles.

In accordance with the Articles, unless otherwise expressly provided by the rights attached to any class of shares, those rights shall be deemed not to be varied by the purchase by the Company of any of its own shares or the holding of such shares as treasury shares.

TRANSFER OF SHARES

Any share in the Company may be held in uncertificated form and, subject to the Articles, title to uncertificated shares may be transferred by means of a relevant system. Registration of a transfer of an uncertificated share may be refused in the circumstances set out in the Uncertificated Securities Regulations 2001 and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.

Subject to the Articles, any member may transfer all or any of their certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve. The Board may decline to register a transfer of a certificated share:

- if it is not in the approved form;
- which is not fully paid, provided that if the share is listed on the Official List of the Financial Conduct Authority such refusal does not prevent dealings in the shares from taking place on an open and proper basis;
- on which the Company has a lien;
- by a person with a 0.25% or greater interest if such a person has been served with a notice and has failed within 14 days to provide the Company with information concerning interests in those shares required to be provided under the Act, unless the transfer is shown to the Board to be pursuant to an arm's length sale.

The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or that may result in restrictions on voting rights.

REPURCHASE OF SHARES

Subject to authorisation by shareholder resolution, the Company may purchase its own shares in accordance with the Act.

Any shares which have been bought back may be held as treasury shares or cancelled immediately upon completion of the purchase.

The Company was given authority to make market purchases of up to approximately 10% of its existing Ordinary Share capital by a resolution passed on 22 May 2025. This authority was renewed at the Company's 2026 AGM. Details of the special resolution passed on 29 June 2026 can be found in the Company's Notice of AGM dated 29 May 2026.

The Company did not make use of the authority mentioned above during 2025.

DIVIDENDS AND DISTRIBUTIONS

Subject to the provisions of the Act, the shareholders may by ordinary resolution, from time to time, declare dividends not exceeding the amount recommended by the Board. The Board may pay interim dividends and also any fixed rate dividends whenever the financial position of the Group, in the opinion of the Board, justifies their payment.

Under the Company's Articles, the Board may withhold payment of all or any part of any dividends or other monies payable in respect of the Company's shares from a person with a 0.25% or greater interest if such person has been served with a notice under Section 793 of the Act and has failed within 14 days to provide the Company with information concerning interests in those shares required to be provided under the Act.

VOTING

At a general meeting of the Company, every member has one vote on a show of hands and, on a poll, one vote for each share held.

SUBSTANTIAL SHAREHOLDINGS

As at 31 December 2025, the Company had been advised, in accordance with the Disclosure Guidance and Transparency Rules, of the following notifiable interests in its voting rights.

Name of shareholder	Ordinary Shares	Number of voting rights	% of the Company's total voting rights at date of notification
Fevamotinic S.a.r.l. ¹	294,993,686	294,993,686	49.32%

As at 28 May 2026, being a date not more than one month prior to the date of the Notice of Annual General Meeting, the following interests in voting rights had been notified to the Company.

Name of shareholder	Ordinary Shares	Number of voting rights	% of the Company's total voting rights at date of notification
Fevamotinic S.a.r.l. ¹	294,993,686	294,993,686	49.32%

Since the above date, the Company has been notified that Fevamotinic S.a.r.l. has reduced its shareholding to 294,680,305 Ordinary Shares, being 49.27% of the Company's total voting rights as at the latest practicable date prior to publication of the Annual Report and Accounts.

1. Fevamotinic S.a.r.l. is a wholly owned subsidiary of The Minco Trust of which Kostyantyn Zhevago and two other members of his family are the beneficiaries.

SIGNIFICANT AGREEMENTS – CHANGE OF CONTROL

The Company does not have any agreements with Directors or employees that would provide for compensation for loss of office or employment resulting from a takeover. There are no circumstances connected with any other significant agreements to which the Company is a party that would take effect, alter or terminate upon a change of control following a takeover bid, except those referred to below:

LTIP

The rules of the Company's LTIP set out the consequences of a change of control of the Company on employee rights under the plan. Generally, such rights will vest on a change of control to the extent that the performance conditions have been satisfied and on a time pro-rated basis, subject to the discretion of the Remuneration Committee. Participants will become entitled to acquire shares in the Company, or in some cases, to the payment of a cash sum of equivalent basis.

RELATIONSHIP AGREEMENT

Details of the Relationship Agreement entered into between Fevamoto S.a.r.l., Kostyantyn Zhevago, The Minco Trust and the Company can be found in the Corporate Governance Report on page 134. The Relationship Agreement ceases to apply if Ferrexpo's shares cease to be listed and traded on the London Stock Exchange, or if the holding of Fevamoto S.a.r.l., The Minco Trust or Mr Zhevago individually or collectively falls below 24.9% of the issued share capital of the Company and they are no longer a controlling shareholder for the purposes of the UK Listing Rules.

GOING CONCERN

Throughout the financial year 2025, the situation in Ukraine remained unpredictable and extremely challenging due to the ongoing war and legal actions against the Group. The Group showed strong momentum at the beginning of the year, resulting in the Group's best production in the first quarter since the full-scale invasion in February 2022. This strong momentum was significantly curtailed in the second quarter as the Group started to experience the full impact of the Ukrainian tax authorities' decisions to suspend the refund of VAT to the Group's subsidiaries in Ukraine. The situation further deteriorated in the last quarter of 2025, when the intensity and frequency of missile and drone attacks on Ukraine's energy, transport, and port infrastructure increased. This led to power cuts and a sharp rise in electricity prices, which had a further negative impact on the Group's business operations in the fourth quarter.

Following intensified attacks from Russia on port infrastructure and civil vessels in the Black Sea in July 2026, the logistics route via the ocean-going Black Sea ports in Ukraine is currently unavailable to the Group. Given the importance of this route for both parties involved in this war and for the global grain supply, it is management's view the situation will ease later in 2026 and it is therefore expected that the Black Sea ports should once again be available to the Group for its sales to certain markets. Management is aware that the timing of the availability of the ocean-going Black Sea ports in Ukraine is subject to significant uncertainty and management is currently assessing alternative logistics routes as done in 2022 and 2023, when these ports were unavailable for an extended time. However, channelling sales through alternative logistics routes may result in lower sales volumes and/or higher logistics costs.

Following the personal sanctions imposed on Mr Zhevago by Ukrainian authorities on 12 February 2025, the Group's subsidiaries in Ukraine have not been receiving VAT refunds since March 2025. As a result of the suspension of VAT refunds in Ukraine, the Group had to adjust its production plan to mitigate working capital outflows and preserve cash, affecting the Group's financial performance during the financial year 2025, but also the expected cash flow generation during the period covered by the Group's going concern assessment.

As part of management's going concern assessment, the Group continuously adjusts its financial long-term model to reflect the latest developments in terms of possible production and sales volumes as well as latest market prices and production costs. The financial long-term model was updated using management's best estimate of reasonably conservative key assumptions, taking also into account the current circumstances the Group must operate in, including the effects from the suspension of VAT refunds and the ongoing legal actions against the Group in Ukraine.

The level of the Group's production is currently restricted due to outstanding VAT refunds and also remains dependent on a constant power supply and the logistics network available to the Group as well as other potential adverse effects on the Group's operation due to the ongoing war, which are reflected in the Group's financial long-term model.

Both the war and the legal actions against the Group in Ukraine are still ongoing, which have affected the Group's business activities, including available logistic routes, and thus its profitability and cash flow generation during the financial year ended 31 December 2025 and are also expected to have a continuing impact on the next 18 months following the approval of these consolidated financial statements, which includes the period covered by the Group's going concern assessment. The suspension of VAT refunds has continued in 2026, significantly affecting the Group's available cash balance. The total net outstanding VAT refunds are US\$87,982 thousand at the end of June 2026, of which US\$86,911 thousand had been claimed for refund from the Ukrainian tax authorities and refunds totalling US\$84,265 thousand have been refused by the tax authorities, both as at the date of approval of these consolidated financial statements, because of the association of the Group with Mr Zhevago as a consequence of the personal sanctions imposed on him.

As a result of the challenging situation during the financial year ended 31 December 2025, the Group's total commercial production totalled 6,142 thousand tonnes of iron ore pellets and concentrate, a decrease of 11% compared to 6,890 thousand tonnes during the comparative year ended 31 December 2024. As no VAT refunds have been received since March 2025, the Group significantly reduced its capital expenditure programme, which however could only partially offset the significantly lower operating cash flow generation. As a result, the closing balance of cash and cash equivalents decreased to US\$58,447 thousand as at 31 December 2025, compared to US\$105,919 thousand as of 31 December 2024.

As at the date of the approval of this report, the Group has an available cash balance of approximately US\$26,300 thousand and is in a net cash position of approximately US\$17,700 thousand. In addition to the available cash balance, the Group has an outstanding trade receivable balance of approximately US\$6,300 thousand from its pellet and concentrate sales, which is expected to be collected in the next few months, and finished goods already stockpiled of 234 thousand tonnes at different ports or storage locations other than the plant.

The challenging and unpredictable environment in which the Group has been operating since the beginning of the invasion and the ongoing war, whose duration and impact on the Group's activities in future periods are difficult to predict, continue to represent a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

In addition to the war-related material uncertainty, the Group is also exposed to the risks associated with operating in a dynamic and adverse political landscape in Ukraine, which is exacerbated by the war and/or the current circumstances facing Mr Zhevago. As a result, the Group is exposed to a number of risk areas that are heightened compared to those expected in a stable economy, such as an environment of political, fiscal and legal uncertainties, which represents another material uncertainty as at the date of the approval of these consolidated financial statements.

Despite the challenging environment in which the Group has operated in recent years, the Group managed to maintain an available cash balance of over US\$100,000 thousand at the end of the previous financial years. Due to the suspension of VAT refunds in Ukraine, the situation continued to deteriorate and the Group's available cash reserves declined steadily during the financial year 2025, totalling US\$58,447 thousand as at 31 December 2025. Despite the fact that the Group remains focused on managing its costs and optimising its sales mix, management expects the Group's liquidity to be sufficient until at least mid-September 2026. It is therefore the Directors' intention to raise gross proceeds of approximately US\$100,000 thousand by way of a conditional placing of Ordinary Shares to support the Group's working capital position and fund its ongoing operations. This planned fundraising is expected by management to be completed in late September 2026 and will provide the necessary immediate recapitalisation and place the Group in a stronger financial position, thereby enabling the Group to have more time to deal with the current challenging environment. The fundraising is conditional on all of the resolutions being passed by the shareholders of Ferrexpo plc. If the resolutions are not passed by the shareholders, or if any of the other conditions are not satisfied, the planned fundraising will not proceed, which will have a significant impact on the Group's ability to continue as a going concern, if no alternative funding can be secured before the liquidity is expected to be exhausted. As the fundraising is expected to be completed subsequent to the approval of these consolidated financial statements, the outcome of the fundraising represents a further material uncertainty, as it is to some extent outside of the Group's control.

The base case of the financial long-term model, including an inflow of US\$100,000 thousand from the planned fundraising, shows that the Group has sufficient liquidity under the base case assumptions to continue its operations at a reduced level throughout the entire period of management's going concern assessment, covering a period of 18 months from the date of approval of these consolidated financial statements. No VAT refunds are assumed during the 18 months of the Group's going concern assessment. The updated base case assumes a pellet production volume of approximately 40% and 64% of the pre-war level for the financial years 2026 and 2027, respectively, and an expected start of the recovery to the pre-war level in the second half of 2028.

The Group's cash flow generation is most sensitive to sales price changes. The sensitivities prepared for reasonably possible adverse changes, with a focus on the expected realised prices, show negative cash balances under some scenarios in the last quarter of 2027, before any mitigating actions are taken, such as a further reduction of operating expenditures and the Group's mining and maintenance activities. However, with the significant reduction of the Group's operation in the long-term model, the available mitigating actions also reduced significantly. As a result, the possible mitigating actions under the full control of management might not be sufficient to offset certain negative effects from reasonably possible adverse changes to the base case.

Considering the tight available cash balances under the base case scenario and sensitivity to realised prices, the Group's available cash balance is expected to be depleted in the last quarter of 2027, when combining all effects of reasonably plausible changes under a stress test scenario. However, it is management's position that, as in the past, a combination of all reasonably possible or plausible adverse changes in respect of realised prices and production costs is unlikely to happen as a result of the historical natural hedge between iron ore prices and prices for key input materials.

As disclosed in Note 30 Commitments, contingencies and legal disputes, the ongoing legal actions against the Group have led to an escalation of a number of risks, including risks relating to the political environment and the independence of the legal system in Ukraine, which might be exacerbated by the ongoing war. These risks remain at the date of the approval of these consolidated financial statements and could have a material negative impact on the Group's business activities and, as a consequence, on the Group's ability to continue as a going concern.

The court proceedings before the Supreme Court of Ukraine in respect of contested sureties (see Note 30 Commitments, contingencies and legal disputes for further details) continued during the financial year 2025 and first months of 2026. Although management is of the opinion that this claim is without merit, the full provision in the amount of UAH4,727 million (US\$111,517 thousand as at 31 December 2025), which was recorded as at the end of 2023, was not released, considering the magnitude of this specific claim and the risks associated with the judicial system in Ukraine. The outcome of this ongoing legal dispute continues to represent a material uncertainty in terms of the Group's ability to continue as a going concern.

In respect of the contested sureties claim and the opening of bankruptcy proceedings against FPM mentioned above, no decision has been made by the Supreme Court in the contested sureties claim as at the date of the approval of these consolidated financial statements. The next hearing before the Supreme Court is scheduled for 12 October 2026. On 18 August 2026, the court of appeal in Kharkiv dismissed FPM's appeal in the bankruptcy case. If the Supreme Court rules in favour of the claimants in the contested sureties case, this would mean that FPM's bankruptcy process will continue, which could potentially have a material negative impact on the Group's business activities and its ability to continue as a going concern. Following that negative decision by the court of appeal in the bankruptcy case, on 21 August 2026, FPM filed a cassation appeal to the Supreme Court of Ukraine. In the meantime, it is not possible to assess the potential impact of such bankruptcy proceedings and their timing, as these depend on further court proceedings, which may extend over a considerable period of time. In terms of the claim received regarding alleged illegal mining and selling of subsoil (minerals other than iron ore), several hearings took place in 2025 and 2026 and it is still expected that this will be a protracted process. However, considering the magnitude of the subsoil claim, a final decision in this case could have a negative impact on the Group's ability to continue as a going concern.

A future cash outflow, which also depends on the details and technicalities of a possible enforcement in the event of a negative decision by the Supreme Court, is likely to have a significant impact on the Group's future cash flow generation and available cash balance and, as a consequence, on the Group's ability to continue as a going concern.

As announced on 24 February 2026, a local court of first instance in Poltava ordered the opening of bankruptcy proceedings against Ferrexpo Poltava Mining ("FPM"). This ruling is in relation to the contested sureties claim, which is still under review by the Supreme Court of Ukraine. Therefore, the local court opened the bankruptcy proceedings without a final decision by the Supreme Court on the main litigation having been made. FPM filed an appeal which was dismissed by the court of appeal in Kharkiv on 18 August 2026. On 21 August 2026, FPM filed a cassation appeal to the Supreme Court of Ukraine. There is a risk that actions of the appointed insolvency manager could have a significant impact on the Group's ability to continue as a going concern.

As announced on 4 February 2025, the Group's subsidiary FPM has received a civil claim seeking joint liability of FPM and its General Director for damages amounting to UAH157 billion (approximately US\$3.7 billion as at 31 December 2025) in favour of the Ukrainian state (see Note 30 Commitments, contingencies and legal disputes for further details). Management is of the opinion that these accusations and the claim are without merit and FPM has started the vigorous defence of its position in the Ukrainian courts. The outcome of this legal dispute depends on further legal proceedings and it is expected that this will be a protracted process, with a final court ruling likely made outside of the Group's going concern period. See Note 30 Commitments, contingencies and legal disputes for further information, which should be read in conjunction with this note.

As mentioned above, the Ukrainian subsidiaries of the Group have not been receiving VAT refunds since March 2025. Although, the sanctions imposed on Mr Zhevago have not been imposed on any member of the Group, the personal sanctions on Mr Zhevago have implications for the Group's operation and, as a consequence, on its profitability and cash flow generation, which could have an impact on the Group's ability to continue as a going concern. In connection with the personal sanctions on Mr Zhevago, on 20 February 2025, the State Bureau of Investigation (the "SBI") made a media announcement regarding a potential claim to the High Anti-Corruption Court of Ukraine (the "HACC") to nationalise 49.5% of shares in FPM and certain of its assets. As at the date of approval of these consolidated financial statements, FPM has not received a formal notification of such a claim. Further to that, under Ukrainian laws, the SBI has no authority to petition, bring claims or make proposals (both on nationalisation or application of any asset-confiscation sanction) to the HACC.

Nonetheless, in the event of a nationalisation of 49.5% of shares in FPM and certain of its assets, it is likely this would have a significant impact on the Group's ability to continue as a going concern as FPM could lose key assets required for the production of iron ore pellets and concentrate. See Note 12 Earnings per share and dividends paid and proposed for further details regarding the impact on the equity attributable to the shareholders of Ferrexpo plc and its future distributable reserves.

As disclosed in detail in the Group's interim condensed consolidated financial statements as of 30 June 2025, on 4 March 2025, the SBI made a media statement that the Pecherskyi District Court of Kyiv has granted a request of the Prosecutor General's Office of Ukraine to transfer 49.5% of the corporate rights in FPM held by FAG to Ukraine's Asset Recovery and Management Agency ("ARMA"). This transfer is in connection with ongoing proceedings against Mr Zhevago relating to Bank F&C, as disclosed in detail on pages 248 and 249 of Note 30 Commitments, contingencies and legal disputes. See Note 12 Earnings per share and dividends paid and proposed for further details regarding the impact on the equity attributable to the shareholders of Ferrexpo plc and its future distributable reserves.

As disclosed in Note 11 Taxation, the Group's two major subsidiaries in Ukraine received tax audit reports in September and November 2023, stating potential claims for underpayment of corporate profit taxes in Ukraine of UAH2,162 million (US\$51,005 thousand as at 31 December 2025) and UAH259 million (US\$6,110 thousand as at 31 December 2025), respectively. Negative decisions by the court of appeal, after potential negative decisions of the court of first instance, are likely to have a significant impact on the Group's future cash flow generation and available cash balance and, as a consequence, on the Group's ability to continue as a going concern. See Note 11 Taxation for further information.

The claims and certain decisions received by the courts in Ukraine are another example of the risk of operating in a dynamic and adverse political landscape in Ukraine, which creates additional challenges for both the Group's subsidiaries in Ukraine and, also for the Group itself.

As at the date of the approval of these consolidated financial statements, the Group's operations, located adjacent to the city of Horishni Plavni, have not been directly affected by the ongoing war, but this remains a risk.

Should the area surrounding the Group's operations become subject to the armed conflict, there would be a significant risk posed to the safety of the Group's workforce and the local community, as well as a significant risk to key assets and the infrastructure required for the Group to operate effectively. See the Update on Principal Risks section on pages 103 and 106 for further information on the Ukraine country risk.

The Group has assessed that, taking into account:

- i) its available cash and cash equivalents;
- ii) its cash flow projections, adjusted for the effects caused by the ongoing war in Ukraine and potential absence of VAT refunds, for the period of management's going concern assessment covering a period of 18 months from the date of the approval of these consolidated financial statements;
- iii) the feasibility and effectiveness of all available mitigating actions within management's control for identified uncertainties;
- iv) the legal merits in terms of the ongoing legal dispute regarding the above mentioned contested sureties, including the bankruptcy proceedings against FPM, and potential future actions available to protect the interests of the Group in case of a negative decision from the Supreme Court;
- v) the suspension of VAT refunds, which might not resume as expected by management;
- vi) the logistics route via the ocean-going Black Sea ports in Ukraine, which is currently unavailable and which may not be available to the Group as currently expected by management and as reflected in the Group's current long-term model;
- vii) the risk of nationalisation of 49.5% of shares in FPM and certain of its assets, which is outside of management's control, the uncertainty in relation to the independence of the judicial system and its immunity from economic and political influences in Ukraine, which could have an impact on the outcome of the ongoing legal disputes; and
- viii) the uncertainty in relation to a successful completion of the planned fundraising in late September 2026,

there remains a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Despite the current situation of the ongoing war, the Group's legal disputes in Ukraine and the prospects of the planned fundraise in late September 2026, the Group continues to prepare its consolidated financial statements on a going concern basis. This conclusion also takes into account management's ability to adapt the Group's operation to changing circumstances caused by the war, including availability of logistic routes, the effects of the suspension of VAT refunds in Ukraine and the independent legal advice received regarding the merits of the ongoing legal actions against the Group in Ukraine. However, as explained above, many of the identified material uncertainties in respect of the ongoing war and legal disputes are outside of management's control, and are unpredictable, which may cast significant doubt upon the Group's ability to continue as a going concern. For more information on critical judgements made by management in preparing these consolidated financial statements, see also Note 30 Commitments, contingencies and legal disputes in respect of other ongoing legal proceedings and disputes and Note 35 Events after the reporting period.

If the Group is unable to continue to realise assets and discharge liabilities in the normal course of business, it would be necessary to adjust the amounts in the statement of financial position in the future to reflect these circumstances, which may materially change the measurement and classification of certain figures contained in these consolidated financial statements.

STATEMENT ON DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information (as defined in the Act) of which the Group's auditors are unaware, and that each Director has taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information (as defined in the Act) and to establish that the Group's auditors are aware of that information.

On 25 April 2025, MacIntyre Hudson LLP resigned as statutory auditor of the Company following an internal restructuring of its audit business, under which statutory audit activities were transferred to a new legal entity, MHA Audit Services LLP. MacIntyre Hudson LLP confirmed, in accordance with section 519 of the Act, that there were no circumstances connected with its resignation that needed to be brought to the attention of members or creditors.

Following this transition, shareholders approved the re-appointment of MHA Audit Services LLP as the Company's statutory auditor at the AGM held on 22 May 2025, to hold office until the conclusion of the next AGM at which the Annual Report and Accounts are laid before the Company.

A resolution to reappoint MHA Audit Services LLP as the Group's independent auditor will be proposed at the general meeting at which this Annual Report and Accounts will be laid. Further information on this meeting can be found below.

AMENDMENTS TO ARTICLES OF ASSOCIATION

The Articles may be amended by special resolution in accordance with the Act.

AGM

The Board held the AGM of the Company covering certain matters of routine business only, namely the re-election of Directors and renewal of authorities given to make market purchases of its own shares and to call general meetings by notice of 14 clear days, on 29 June 2026. The Notice convening the AGM was made available to shareholders on 29 May 2026.

Given the delay to the publication of the Group's Annual Report and Accounts, certain resolutions relating to these Annual Report and Accounts, the re-appointment and remuneration of the Group's auditor, and the Directors' remuneration report did not form part of the business at that AGM. The Company intends to convene a separate shareholder meeting in due course where resolutions on these matters will be tabled. Further details of this meeting will be sent to shareholders in a separate letter from the Interim Executive Chair summarising the business of the meeting together with the Notice convening the shareholder meeting.

The Strategic Report on pages 8 to 118 and this Directors' Report have been drawn up and presented in accordance with, and in reliance upon, applicable English company law, and any liability of the Directors in connection with these reports shall be subject to the limitations and restrictions provided by such law.

The Directors' Report was approved by the Board on 3 September 2026.

For and on behalf of the Board

Lucio Genovese
Interim Executive Chair
3 September 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES

STATEMENT BY THE DIRECTORS UNDER THE UK CORPORATE GOVERNANCE CODE

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare such financial statements for each financial year that give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year, and of the profit or loss of the Group for the financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted in the United Kingdom ("UK adopted IFRS") and have also chosen to prepare the Parent Company financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 Reduced Disclosure Framework, and applicable law).

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Parent Company and of their profit or loss for that period.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK adopted IFRS have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 Reduced Disclosure Framework have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and enable them to ensure that its financial statements and Directors' Remuneration Report comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the Group and Parent Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE ANNUAL REPORT AND ACCOUNTS

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

Each of the Directors, who held office at the date of approval of this Directors' Report, whose names and functions are listed on pages 126 to 127 of the Corporate Governance Report, confirms that to the best of their knowledge:

- (a) the Group financial statements, prepared in accordance with UK adopted IFRS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the subsidiary undertakings included in the consolidation taken as a whole and attention is drawn to the material uncertainty in terms of the Group's ability to continue as a going concern on page 184 of the Directors' Report and Note 2 Basis of preparation of the Consolidated Financial Statements on page 205;
- (b) the Parent company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101 Reduced Disclosure Framework, give a true and fair view of the Company's assets, liabilities and financial position of the Parent Company;

- (c) the Strategic Report and Directors' Report includes a fair review of the development and performance of the business and the position of the Company and the subsidiary undertakings included in the consolidation taken as a whole, together with a description of the Principal Risks and uncertainties that they face; and
- (d) the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's and Company's position, performance, business model and strategy.

The Directors' Report (including Corporate Governance Report) comprises the information on pages 119 to 188.

This responsibility statement was approved by the Board of Directors on 3 September 2026 and is signed on its behalf by:

Lucio Genovese
Interim Executive Chair

Nikolay Kladiev
Executive Director/Chief Financial Officer
3 September 2026

Financial statements

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FERREXPO PLC

For the purposes of this report, the terms “we” and “our” denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Ferrexpo plc. For the purposes of the table on pages 192 to 194 that sets out the key audit matters and how our audit addressed the key audit matters, the terms “we” and “our” refer to MHA. The Group financial statements, as defined below, consolidate the accounts of Ferrexpo plc and its subsidiaries (the “Group”) and include the Group’s share of associates. The “Parent Company” is defined as Ferrexpo plc, as an individual entity. The relevant legislation governing the Parent Company is the United Kingdom Companies Act 2006 (“Companies Act 2006”).

OPINION

We have audited the financial statements of Ferrexpo plc for the year ended 31 December 2025 which comprise:

- the Consolidated Income Statement;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated Statement of Financial Position;
- the Consolidated Statement of Cash Flows;
- the Consolidated Statement of Changes in Equity;
- the Notes to the Consolidated Financial Statements, including material accounting policies;
- the Parent Company Statement of Financial Position;
- the Parent Company Statement of Changes in Equity; and
- the Notes to the Parent Company Financial Statements, including material accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards adopted for use in the United Kingdom (“UK adopted IFRS”). The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 “Reduced Disclosure Framework” (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group’s and of the Parent Company’s affairs as at 31 December 2025 and of the Group’s loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted IFRS;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Audit Committee.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities under those standards are further described in the Auditor Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed public interest entities, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

We draw your attention to Note 2 of the financial statements on page 205, Note 35 of the financial statements on page 258 and Note 2 of the Parent Company financial statements on page 261, which describe the conditions that give rise to a material uncertainty that may cast significant doubt on the Group’s and Parent Company’s ability to continue as a going concern. These conditions include uncertainties relating to the Group’s liquidity position including the suspension of VAT refunds, the potential outcomes of significant legal disputes in Ukraine, and the indirect consequences arising from the personal sanctions imposed on Mr Kostyantyn Zhevago, including the potential nationalisation of 49.5% of FPM shares and certain assets. These uncertainties are further exacerbated by the ongoing war in Ukraine, which continues to adversely impact the Group’s mining, processing and logistics operations. As stated in Note 2, management has assessed that the duration and severity of the impact of the war in Ukraine on the Group’s activities are difficult to predict and some of the uncertainties identified are outside of the Group management’s control.

The Group is actively pursuing an equity capital raise of at least US\$100 million, structured as a conditional placing, to support working capital and short-term operational needs over the going concern period. The successful completion of the fundraising, including the amount raised, timing of receipt and satisfaction of any conditions, is not yet certain and is outside the Group’s full control. If the fundraising is not completed in the amount and timeframe assumed in the Directors’ going concern assessment, and in the absence of sufficient alternative mitigating actions, the Group and Parent Company may not have sufficient liquidity to continue to meet their obligations as they fall due throughout the going concern period.

These circumstances indicate the existence of a material uncertainty that may cast significant doubt upon the Group’s and Company’s ability to continue as a going concern. Our opinion is not modified in respect of these matters.

In auditing the financial statements, we have concluded that the Directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included consideration of the political, fiscal and legal uncertainties with operating in Ukraine. In performing this work, we considered the risks associated and undertook the following procedures:

- challenging management's assessment of the potential risks and uncertainties relevant to the Group as a result of the ongoing war and the likelihood and outcome of the various legal cases. This assessment extended to considering the impact of the possible rejection of the VAT refunds in management's revised base case model and their plans to mitigate the impact;
- challenging whether the Group's further mitigating actions are achievable and within the Group's control;
- challenging and assessing management's assumptions applied in the going concern assessment and cash flow forecasts, evaluating the potential future impact of the war on the cash available to the Group, including the ability to continue its operations in case of disruption to supplies and to its logistics network, as well as assessing management's downside scenarios;
- reviewing recent production and trading activity to verify the operational results following the year end, to verify the underlying data on which the going concern assessment is based;
- testing the mathematical accuracy of the model used to prepare the forecasts;
- evaluating management's assessment of the expected outcome of the contested sureties claim and the assumptions regarding the impact of various scenarios relating to the timing and quantum of economic outflows and any consequences of potential actions that may be taken by the claimant, in conjunction with the feasibility and impact of mitigating actions planned by the Group;
- considering the impact on available cash resources under sensitised and stress tested models together with consideration of potential cash outflows in respect of contingency matters and challenge of management's plans to mitigate any impact;
- evaluating management's assessment of the legal proceedings in which the Group is involved, including the probability of outflows of resources and the possibility and impact of restrictions put on the Group's use of its own assets including moving cash around the Group, as detailed in the key audit matter "Contingencies and completeness of litigations and claims";
- discussing the ongoing legal proceedings, including those arising after the reporting date, with the Group's external legal advisors to understand the likelihood and impact of these proceedings on the groups;
- assessing the work of the component auditors' legal expert in respect of certain legal proceedings to assist us in evaluating management's assessment of the impact and potential outcome of those cases in the relevant local jurisdictions;
- assessing the appropriateness and completeness of disclosures on going concern, including use of a disclosure checklist;
- inspected the latest shadow book or equivalent investor-demand evidence;
- distinguished non-binding indications from firm or binding commitments;
- assessed any minimum proceeds and conditions required for the placing to proceed;
- considered the proposed issue price, discount and potential execution risk;
- assessed whether necessary shareholder, regulatory or other approvals were required;
- inspected the latest timetable and evidence of progress after the broker discussions;
- assessed alternative funding or mitigating actions if the intended raise is delayed or raises less than US\$100 million; and
- updated the assessment through the report date.

In relation to the Group's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' Statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

OVERVIEW OF OUR AUDIT APPROACH

Scope	Our audit was scoped by obtaining an understanding of the Group, including the Parent Company, and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement. We, and our component auditors acting on specific group instructions, undertook full scope audits on the complete financial information of seven components and specified audit procedures on particular classes of transactions, balances and disclosures on a further six components. Our scoping was determined at a financial statement line item level to ensure that significant classes of transactions, balances and disclosures were fully included within the scope of our audit, with any residual balances below performance materiality. Analytical procedures were applied to these residual balances to assess overall reasonableness; however, these were not designed or relied upon as substantive analytical procedures to obtain audit evidence in isolation.
Materiality	The materiality that we used for the Group financial statements was US\$8.7 million (2024: US\$15.0 million). This represents 1.2% of net assets (2024: 1.6% of Net assets). The materiality used for the Parent Company financial statements was US\$7 million (2024: US\$8.3 million), which was determined as 1.6% of the Company's net assets (2024: 1.5%).
Key audit matters	The key audit matters that we identified in the current year relating to the Group and Parent Company are: • Treatment and likelihood of contingencies, litigation and claims • Taxation – IFRIC 23 and critical judgements on transfer pricing and the international structure • Impairment of PPE • In the current year, we have identified additional key audit matters relating to going concern, including the consideration of the ongoing war in Ukraine and related litigation (See Material uncertainty relating to going concern section)

INDEPENDENT AUDITOR'S REPORT CONTINUED TO THE MEMBERS OF FERREXPO PLC

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on:

- the overall audit strategy;
- the allocation of resources in the audit; and
- directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

TREATMENT AND LIKELIHOOD OF CONTINGENCIES, LITIGATION & CLAIMS

Financial statements element	FY25	FY24
Legal provision of US\$114.7m recognised (Note 23)	US\$114.7m Legal provision	US\$115.7m Legal provision
Key audit matter description	As disclosed in Note 30, the Group is subject to a number of significant legal proceedings and investigations, primarily in Ukraine. These include, among others, the contested sureties claim, VAT-related disputes, royalty and environmental investigations, and matters relating to corporate rights and shareholdings. The legal and regulatory environment in Ukraine, combined with the ongoing war, increases the complexity and uncertainty surrounding the outcome of these cases. Significant judgement is involved in assessing the likelihood of outflows of economic resources arising from these matters and in determining the appropriate accounting treatment under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. This includes determining whether provisions should be recognised (where an outflow is considered probable and can be reliably estimated) or whether matters should be disclosed as contingent liabilities. The most significant provisions recognised by management relate to the contested sureties claim and the squeeze-out of minority shareholders. In addition, the Group has disclosed a number of material contingent liabilities, including those relating to VAT disputes, royalty-related investigations, environmental claims, and restrictions over corporate rights, which could have a significant impact on the Group's financial position depending on their outcome. This area was considered a key audit matter due to: • the significant judgement involved in assessing the probability and magnitude of potential outflows; • the heightened uncertainty arising from the legal and political environment in Ukraine, including potential inconsistencies in the application of local legislation; and • the risk that provisions and contingent liabilities may be incomplete, misstated, or not appropriately disclosed. The key audit risk relates to the completeness and accuracy of provisions and disclosures in respect of legal claims and contingencies, including the risk that material exposures are not appropriately recognised or disclosed in the financial statements. We draw attention to Note 30, which describes the nature of these legal proceedings and the inherent uncertainties in their outcomes. Our opinion is not modified in respect of this matter.	
How the scope of our audit responded to the key audit matter	Our procedures included, but were not limited to: • We obtained direct confirmations and supporting documentation from the Group's internal and external legal advisors to understand the status of significant legal proceedings and their assessment of the likely outcomes. We evaluated whether these were consistent with management's conclusions. • We held discussions with management and reviewed key correspondence, court filings, and other documentation exchanged with relevant authorities and counterparties to assess the status and developments in each case. • Challenging management's judgements on significant claims regarding the likelihood of outflows of economic resources, including whether matters had been appropriately classified as provisions or contingent liabilities in accordance with IAS 37. • We involved component auditor teams, including the use of their internal legal specialists, to assess local legal matters and provide input on the reasonableness of management's assumptions and conclusions, particularly in the context of the Ukrainian legal environment. • We reviewed board minutes, audit committee papers, and legal expense accounts to identify any additional or emerging legal matters and to assess the completeness of the population of claims considered by management. • We assessed the adequacy and clarity of the disclosures in the financial statements, including whether they appropriately reflect the level of uncertainty, potential financial impact, and interdependencies between claims.	
Key observations	Based on the procedures performed, we did not identify any matters to indicate that the provisions recognised in respect of legal claims and the related disclosures of contingencies and litigation are materially misstated or inappropriate. However, we highlighted that significant judgement continues to be applied by management in assessing the likelihood and potential financial impact of these matters, particularly given the heightened legal and regulatory uncertainty in Ukraine. We also emphasised the importance of ensuring that disclosures remain sufficiently clear, balanced, and comprehensive to reflect the severity, uncertainty, and potential interdependencies of the ongoing legal proceedings.	

TAXATION – IFRIC 23 AND CRITICAL JUDGEMENTS OF TRANSFER PRICING AND THE INTERNATIONAL STRUCTURE

Financial statements element	FY25 US\$11.3m Income tax expense	FY24 US\$29.6m Income tax expense
Current income tax expense recognised US\$9.1m with deferred income tax US\$2.2m (Note 4 and Note 11)		
Key audit matter description	A key area of judgement for the Group is the application of transfer pricing policies and the accounting for uncertain tax positions under IFRIC 23 (Refer to Note 4 and Note 11). The Group operates a vertically integrated international business, with sales between subsidiaries priced using benchmark market prices for comparable iron ore products, adjusted for quality and freight. Management considers these arrangements to be consistent with applicable transfer pricing legislation across the jurisdictions in which the Group operates. However, the Group continues to be subject to significant scrutiny from the Ukrainian tax authorities in respect of historical cross-border transactions. This includes claims relating to periods between 2015 and 2017, as well as investigations by government authorities. Claims totalling approximately US\$58 million (including penalties) have been raised against certain Ukrainian subsidiaries, although these remain subject to ongoing legal proceedings. In addition, the Group operates in a complex and evolving tax and legal environment in Ukraine, where there is inherent uncertainty in the application of legislation and enforcement by authorities. This is further heightened by broader geopolitical factors and recent actions by tax authorities, including the suspension of VAT refunds, which has increased regulatory scrutiny over the Group's tax position. Significant judgement is therefore required in assessing whether uncertain tax positions should be recognised and measured under IFRIC 23, including determining the probability of outflows and estimating potential exposures. These judgements are inherently subjective and depend on interpretations of tax law, the status of ongoing disputes, and the expected outcomes of court proceedings, which may involve complex legal and technical considerations. The application of IFRIC 23 is particularly complex in this context, as outcomes may evolve from negotiation-based tax enquiries to formal litigation, where decisions are dependent on judicial interpretation and precedent. This increases the level of estimation uncertainty and makes the prediction of outcomes more challenging. Accordingly, we considered this area to be a key audit matter due to the materiality of the potential exposures, the complexity of the Group's international structure and transfer pricing arrangements, and the significant level of management judgement involved.	
How the scope of our audit responded to the key audit matter	Our procedures included, but were not limited to: - Involving transfer pricing and international tax specialists to assess the appropriateness of the Group's transfer pricing policies, supporting documentation, and key judgements applied by management in respect of cross-border arrangements. - Reviewing key correspondence with tax authorities and legal advisors and evaluating management's assessment of the potential exposures. With the support of our specialists, we also considered relevant case law and recent court decisions in Ukraine, including the impact of prior rulings, in assessing the likelihood of an adverse outcome. - Assessing the design and implementation of management's process for identifying and evaluating uncertain tax positions under IFRIC 23, including the completeness of matters considered and consistency with prior periods. - Challenging management's judgements in determining whether provisions or disclosures were required, including performing sensitivity analysis on key assumptions (such as probability weightings and potential settlement outcomes) to evaluate the range of possible exposures. - Critically evaluating the assumptions applied in management's IFRIC 23 assessment, including the interpretation of applicable tax legislation, the status of ongoing disputes, and the expected resolution of matters through litigation or negotiation. - Considering the adequacy and transparency of the related disclosures in the financial statements, including whether they appropriately reflect the level of estimation uncertainty and significant judgements involved. These procedures were performed in the context of a complex and evolving regulatory environment in Ukraine, where the Group is subject to ongoing tax audits and legal proceedings, and where significant judgement is required in assessing uncertain tax positions.	
Key observations	Based on the procedures performed, nothing has come to our attention that would indicate that the disclosures in relation to uncertain tax positions, including transfer pricing and international taxation matters, are materially misstated.	

IMPAIRMENT OF PPE

Financial statements element Impairment charge recognised in respect of PPE amounted to US\$154 million (Note 13)	FY25 US\$154m Total impairment	FY24 US\$72m Total impairment
Key audit matter description	The Group continues to operate in a highly uncertain environment due to the ongoing war in Ukraine, which has adversely impacted production levels, supply chains, and overall operating capacity. During the year, the suspension of VAT refunds by the Ukrainian tax authorities has further constrained liquidity and resulted in a downscaling of operations, leading to lower expected future cash flows from the Group's assets, as disclosed in Note 13, which describes the uncertainty related to the estimate of the recoverable amount of the Group's Cash Generating Unit ("CGU"). Management is required to assess whether indicators of impairment exist and, where identified, to estimate the recoverable amount of the CGU. This is determined using a value-in-use model based on the Group's long-term forecasts. These forecasts incorporate a number of key assumptions, including future production volumes, iron ore prices, operating costs, discount rates and the timing of any recovery to pre-war operating levels. Given the significant estimation uncertainty associated with these assumptions, particularly in the context of ongoing geopolitical disruption, legal uncertainties, and constraints on cash flow generation, there is a high degree of judgement involved in determining the recoverable amount of the CGU. Changes in these assumptions could have a material impact on the carrying value and potential impairment of the Group's assets.	
How the scope of our audit responded to the key audit matter	Our work included, but was not restricted to: - Assessing the design and implementation of key controls over the impairment review process, including those relating to the preparation and review of the Group's long-term cash flow model. - Testing the mathematical accuracy of the value in use model to identify any computational errors within the forecasts. - Challenging management on the source and appropriateness of the data used in the Group's long-term cash flow forecasts, including consideration of the impact of reduced production levels, suspension of VAT refunds, and ongoing disruption caused by the war in Ukraine. - Critically evaluating the key assumptions underpinning the forecasts, including production volumes, iron ore prices, operating costs, and the timing of any recovery to pre-war capacity, by reference to external data where available and our understanding of the Group's operating environment. - With the support of our external valuation experts, we evaluated the appropriateness of the discount rate applied, including benchmarking key inputs such as risk-free rates, country risk premiums and cost of capital assumptions. - Assessing whether the cash flow forecasts appropriately reflected the latest available information, including the impact of ongoing legal and geopolitical uncertainties, and considered the consistency of these assumptions with those used in the going concern assessment. - Verifying the carrying value of the assets included within the CGU and assessing the allocation and calculation of the impairment loss recognised in the period. - Considering whether indicators existed for the reversal of previously recognised impairment losses in accordance with IAS 36 and concluding that no such reversal was appropriate. - Evaluating management's assessment of whether relevant events arising after the reporting date were adjusting or non-adjusting for the purposes of the impairment review. - Reviewing the adequacy and appropriateness of the disclosures in the financial statements, including the key assumptions applied and sensitivity analyses presented, and assessed whether these appropriately reflect the degree of estimation uncertainty.	
Key observations	Based on the procedures performed, we did not identify any matters indicating that the impairment charge recognised in respect of PPE, or the related disclosures, were materially misstated.	

OUR APPLICATION OF MATERIALITY

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent Company financial statements
Overall materiality	Overall Materiality amounting to US\$8.7 million (2024: US\$15 million)	Overall Materiality amounting to US\$7 million (2024: US\$8.3 million)
Performance materiality	We set our 2025 performance materiality at 60% of overall materiality (2024: 60%), amounting to US\$5.2 million (2024: US\$9 million)	We set our 2025 performance materiality at 60% of overall materiality (2024: 60%), amounting to US\$4.2 million (2024: US\$4.9 million)
How we determined materiality	We have applied an approach consistent with the prior year. We have determined materiality of US\$8.7 million on the basis of our professional judgement which represents: • 1.2% of net assets • (2024: 1.6% net assets)	1.6% of Parent Company's net assets (2024: 1.5% of Parent Company's net assets)
Rationale for the benchmark applied	In determining materiality, we have selected net assets as the benchmark, ensuring alignment with stakeholder focus on asset recoverability and valuation, and long-term profitability. The materiality level calculated based on net assets falls within the thresholds set under our global audit methodology. Net assets benchmark The war in Ukraine has led to an overall reduction in the Group's activity and profitability. With the shift of stakeholders' focus towards long-term profitability, asset recoverability, and valuation, a short-term profit-based benchmark does not adequately capture shareholder requirements. Thus the use of net assets as a benchmark most faithfully represents the common information needs of users in the current operating environment. The resumption of higher activity levels in the future is also likely to require strategic decisions regarding access to additional capital, whether in the short or long term. Given these factors, materiality has been determined based on net assets, as this best reflects stakeholder priorities and the expected scale of the Group's business.	We consider the chosen benchmark to be appropriate due to the nature of Parent Company's operations being a holding company of the Group.

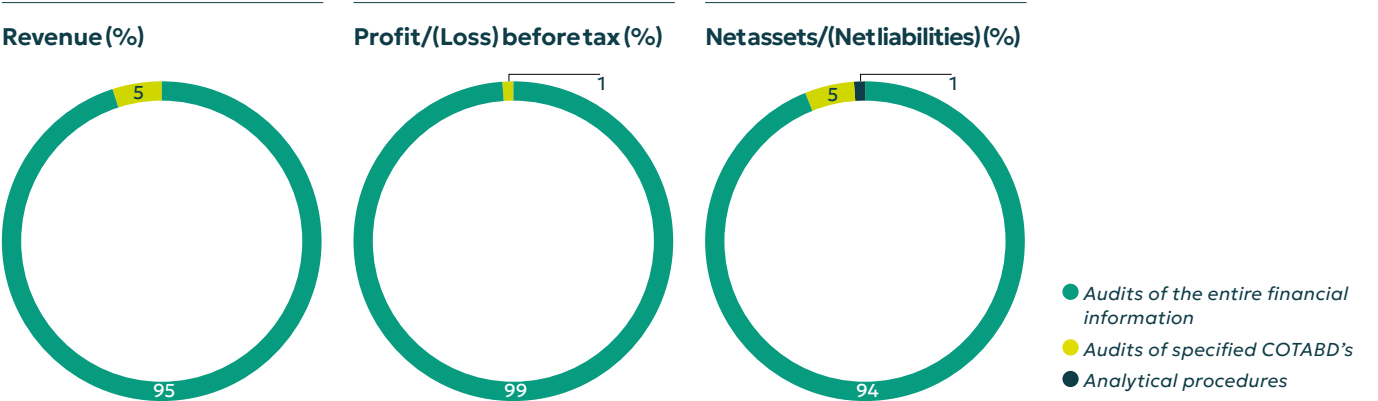
We agreed to report any corrected or uncorrected adjustments exceeding US\$0.4 million (2024: US\$0.8 million) and US\$0.35 million (2024: US\$0.4 million) in respect of the Group and Parent Company respectively to the Audit Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

OVERVIEW OF THE SCOPE OF THE GROUP AND PARENT COMPANY AUDITS

Our Group audit was scoped by obtaining an understanding of the Group and the Parent Company and their environments, including internal control, and assessing the risks of material misstatement. The Group's Parent entity and finance companies are in the UK, while the head office and marketing companies are based in Switzerland and the primary mining operations are located in Ukraine.

Considering operational and financial performance and risk factors, we assessed risks of material misstatement at Group Classes of Transactions, Account Balances, and Disclosures (COTABD's) level and determined how those risks are associated with the assertions in a component's financial information. We performed audits of the entire financial information of the Ukrainian Ferrexpo Poltava Mining, Ferrexpo Yeristovo Mining and Ferrexpo Belanovo components; the sales and marketing entities Ferrexpo AG and Ferrexpo Middle East; Ferrexpo Finance plc; and Ferrexpo plc entity; along with the audit of specified COTABD's over six entities, including two in Hungary, one in Ukraine, two in Austria, and one in the Marshall Islands, covering material revenue, expenses, and asset balances. Our full scope and audit of specified COTABD's cover 100% of group revenue, 100% of group loss before tax and 99% of group net assets.

The remaining 14 components collectively represent 1% of the Group's net assets. The work performed by the component audit teams is guided by the Group audit team and is executed at levels of materiality applicable to each individual entity, which were lower than Group materiality and ranged from US\$0.16 million to US\$8 million (2024: US\$1.25 million to US\$7.1 million).



The Group audit team was involved in the audit work performed by the component auditor in Ukraine through a combination of our Group planning meetings and calls, provision of Group instructions (including detailed supplementary procedures), review and challenge of related component interoffice reporting and of findings from their work (which included the audit procedures performed to respond to risks of material misstatement), attendance at component audit closing conference calls and weekly interaction on audit and accounting matters which arose. As a visit to the Ukrainian team was not practicable due to the ongoing war in Ukraine, the Group audit team intensified the interaction with that local team through video conferences to review and direct the audit approach taken in respect of significant risks and a number of other relevant risks of material misstatement.

Ferrexpo plc and Ferrexpo Finance plc are registered in the UK; hence the audits were carried out by the Group audit team.

The Swiss and Middle East sales and marketing entities have a common finance function with the Group finance team and as such the audits of these components were carried out by the Group audit team.

At the Parent entity level, we also tested the consolidation process and carried out substantive analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.

THE CONTROL ENVIRONMENT

We evaluated the design and implementation of those internal controls of the Group which are relevant to our audit, such as those relating to the financial reporting cycle. We also tested operating effectiveness, but did not place reliance on certain controls over several of the key business cycles.

We deployed our internal IT audit specialists to gain an understanding of general IT controls and perform walkthroughs of the key operating cycles.

CLIMATE-RELATED RISKS

In planning our audit and gaining an understanding of the Group, we considered the potential impact of climate-related risks on the business and its financial statements. A number of financial risks could arise from both physical and transition risks due to climate change. We obtained management's climate-related risk assessment relating to these, along with relevant documentation and reports. We evaluated management's assessment and held discussions with management to understand its process for identifying and assessing the related risks.

We engaged internal specialists to assess, amongst other factors, the benchmarks used by management, the nature of the Group's business activities, its processes and the geographic distribution of its activities.

We critically reviewed management's assessment and challenged the assumptions underlying its assessment. We made enquiries to understand the extent of the potential impact of climate change risks on the Group's financial statements. This has included a review of critical accounting estimates and judgements, and the effect on the MHA audit approach. As part of audit, we understood management's process to support disclosures within the sustainability section (including Group TCFD & CFD Disclosures) and its assessment of impact on the financial statements. We also considered the ongoing viability of the business in respect both direct physical climate risks and transition risks, such as changes in legislation, as nations grapple with their commitments to reduce emissions.

The future financial impacts are clearly uncertain given their association with governments, independent regulators, global markets and society to respond to the issue of climate change. Financial statements cannot capture all potential outcomes as they are not known.

REPORTING ON OTHER INFORMATION

The other information comprises the information included in the Annual Report and Accounts other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report and Accounts. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

STRATEGIC REPORT AND DIRECTORS' REPORT

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

CORPORATE GOVERNANCE STATEMENT

We have reviewed the Directors' Statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the entity's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- Directors' statement with regard to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 184 to 187;
- Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 116;
- Directors' statement on whether they have a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 118;
- Directors' statement on fair, balanced and understandable set out on page 188;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 116;
- Section of the Annual Report and Accounts that describes the review of effectiveness of risk management and internal control systems set out on page 155; and
- Section describing the work of the Audit Committee set out on pages 146 to 149.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' Remuneration specified by law are not made; or
- the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- a corporate governance statement has not been prepared by the Parent Company.

DIRECTORS' REMUNERATION REPORT

Those aspects of the Directors' Remuneration Report which are required to be audited have been prepared in accordance with applicable legal requirements.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement set out on page 188, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

IDENTIFYING AND ASSESSING POTENTIAL RISKS ARISING FROM IRREGULARITIES, INCLUDING FRAUD

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the mining industry, sector, and its impact on the control environment, business performance including remuneration policies and the Company's own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the Directors and legal advisors, we obtained an understanding of the legal and regulatory frameworks applicable to the Group focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, Listing Rules, Corporate Law in Ukraine and international tax legislation. In addition, we considered compliance with the UK Bribery Act, employee legislation, terms of the Group's mining licences and environmental regulations as fundamental to the Group's operations;
- We enquired of the Directors and management, including the in-house legal counsel and Audit Committee concerning the Company's policies and procedures relating to:
 - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce costs, creating fictitious transactions to hide losses or to improve financial performance, and management bias in accounting estimates, particularly in the value in use calculation for the Group's assets, and in significant accounting judgements in respect of the assessment of contingencies and legal claims and uncertain tax treatments. The Group engagement team shared this risk assessment with the significant subsidiaries' auditors so that they could include appropriate audit procedures in response to such risks in their work.

AUDIT RESPONSE TO RISKS IDENTIFIED

In respect of the above procedures:

- We corroborated the results of our enquiries through our review of the minutes of the Company's board, Finance and Risk Committee and Audit Committee meetings;
- Audit procedures performed by the engagement team in connection with the risks identified included:
 - reviewing legal correspondence and documentation from the Group's lawyers in addition to discussions on the ongoing legal matters;
 - discussing the assumptions and legal issues facing the Group with internal and external legal counsel, and challenging management's assessment thereof;
 - reviewing financial statement disclosures and testing supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements;
 - testing journal entries, including those processed late for financial statements preparation, and those posted by infrequent or unexpected users, those posted to unusual account combinations;
 - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
 - challenging the assumptions made by management in measuring significant accounting estimates, in particular those included in the Group's value in use calculation, and the going concern long-term model, as well as the judgments made in respect of contingencies and legal claims and IFRIC 23 assessment of tax liabilities;
 - obtaining confirmations from third parties to confirm existence of a sample of bank balances; and
 - using data analytics software to interrogate the journals posted in the year and to review areas where the incentive to override controls may be greatest. We also used our data analytics tool to identify potential transactions with related parties.
- The Group operates in a specialised mining industry. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities; and
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

OTHER MATTERS WHICH WE ARE REQUIRED TO ADDRESS

We were re-appointed by the Members on 26 June 2025. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is seven years, initially under the legal entity MacIntyre Hudson LLP and subsequently under MHA Audit Services LLP.

We did not provide any non-audit services which are prohibited by the FRC's Ethical Standard to the Group or the Parent Company, and we remain independent of the Group and the Parent Company in conducting our audit.

USE OF OUR REPORT

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rules 4.1.15R to 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

Andrew Moyser FCA FCCA

(Senior Statutory Auditor)

For and on behalf of MHA, Statutory Auditor

London, United Kingdom

3 September 2026

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

CONSOLIDATED INCOME STATEMENT

US\$000	Notes	Year ended 31.12.25	Year ended 31.12.24
Revenue	6	787,324	933,263
Operating expenses	7	(845,242)	(932,574)
Write-offs and impairments	7	(160,936)	(71,871)
Other operating income	8	3,583	5,475
Operating foreign exchange gains	9	4,969	83,321
Operating (loss)/profit		(210,302)	17,614
Share of profit from associates	33	486	2,314
(Loss)/profit before tax and finance		(209,816)	19,928
Net finance expense	10	(3,132)	(993)
Non-operating foreign exchange gains/(losses)	9	351	(39,355)
Loss before tax		(212,597)	(20,420)
Income tax expense	11	(11,335)	(29,610)
Loss for the year		(223,932)	(50,030)
<i>Loss attributable to:</i>			
Equity shareholders of Ferrexpo plc		(223,911)	(50,046)
Non-controlling interests		(21)	16
Loss for the year		(223,932)	(50,030)
<i>Loss per share:</i>			
Basic (US cents)	12	(38.06)	(8.51)
Diluted (US cents)	12	(38.06)	(8.51)

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

US\$000	Notes	Year ended 31.12.25	Year ended 31.12.24
Loss for the year		(223,932)	(50,030)
<i>Items that may subsequently be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		(4,581)	(136,926)
Income tax effect	11	320	3,972
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		(4,261)	(132,954)
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement gains/(losses) on defined benefit pension liability	22	7,520	(7,040)
Net other comprehensive income/(loss) not being reclassified to profit or loss in subsequent periods		7,520	(7,040)
Other comprehensive income/(loss) for the year, net of tax		3,259	(139,994)
Total comprehensive loss for the year, net of tax		(220,673)	(190,024)
<i>Total comprehensive loss attributable to:</i>			
Equity shareholders of Ferrexpo plc		(220,658)	(190,016)
Non-controlling interests		(15)	(8)
		(220,673)	(190,024)

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

US\$000	Notes	As at 31.12.25	As at 31.12.24
Assets			
Property, plant and equipment	13	551,928	723,918
Right-of-use assets	14	10,595	5,029
Intangible assets	15	4,918	5,568
Investments in associates	33	6,503	6,350
Inventories	17	12,329	5,185
Other non-current assets	16	32,374	32,456
Other taxes recoverable and prepaid	20	71,195	–
Deferred tax assets	11	16	2,258
Total non-current assets		689,858	780,764
Inventories	17	129,028	192,508
Trade and other receivables	18	33,723	39,792
Prepayments and other current assets	19	10,435	24,648
Income taxes recoverable and prepaid	11	7,888	7,026
Other taxes recoverable and prepaid	20	3,616	36,296
Cash and cash equivalents	25	58,447	105,919
Total current assets		243,137	406,189
Total assets		932,995	1,186,953
Equity and liabilities			
Issued capital	31	121,628	121,628
Share premium		185,112	185,112
Other reserves	31	(2,812,740)	(2,808,904)
Retained earnings		3,209,355	3,425,751
Equity attributable to equity shareholders of Ferrexpo plc		703,355	923,587
Non-controlling interest		58	73
Total equity		703,413	923,660
Lease liabilities	5/26	6,792	419
Defined benefit pension liability	22	17,395	22,806
Provisions	23	4,592	3,118
Deferred tax liabilities	11	4,323	4,346
Total non-current liabilities		33,102	30,689
Lease liabilities	5/26	4,228	4,665
Trade and other payables	21	27,234	55,781
Provisions	23/30	114,788	115,694
Accrued and contract liabilities	24	19,628	29,415
Income taxes payable	11	20,783	13,561
Other taxes payable	20	9,819	13,488
Total current liabilities		196,480	232,604
Total liabilities		229,582	263,293
Total equity and liabilities		932,995	1,186,953

The accompanying notes are an integral part of the consolidated financial statements.

The financial statements of Ferrexpo plc, registration number 05432915, were authorised and approved by the Board of Directors and authorised for issue on 3 September 2026 and signed on its behalf by:

Lucio Genovese
Interim Executive Chair

Nikolay Kladiev
Chief Financial Officer and Executive Director

CONSOLIDATED STATEMENT OF CASH FLOWS

US\$000	Notes	Year ended 31.12.25	Year ended 31.12.24
Loss before tax		(212,597)	(20,420)
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment, right-of-use assets and amortisation of intangible assets		68,406	60,281
Net finance income	10	(252)	(1,440)
(Gains)/losses on disposal and liquidation of property, plant and equipment	7	(572)	231
Write-offs and impairments	7	160,936	71,871
Share of profit from associates	33	(486)	(2,314)
Impairment loss/(reversal) on financial assets	7	5,598	(1,731)
Movement in site restoration provision	23	1,268	611
Employee benefits	22	4,454	3,381
Share-based payments	28	431	320
Allowance on overdue VAT receivable balances	20	13,139	–
Operating foreign exchange gains	9	(4,969)	(83,321)
Non-operating foreign exchange (gains)/losses	9	(351)	39,355
Operating cash flow before working capital changes		35,005	66,824
<i>Changes in working capital:</i>			
Decrease in trade and other receivables		13,827	36,136
Decrease/(increase) in inventories		52,657	(10,856)
(Decrease)/increase in trade and other payables (including accrued and contract liabilities)		(34,361)	36,922
Increase in other taxes recoverable and payable (including VAT)	20	(58,204)	(10,658)
Cash generated from operating activities		8,924	118,368
Interest paid		(271)	(815)
Income tax paid	11	(2,692)	(23,278)
Post-employment benefits paid		(2,603)	(2,373)
Net cash flows from operating activities		3,358	91,902
Cash flows used in investing activities			
Purchase of property, plant and equipment and intangible assets	13/15	(49,070)	(101,688)
Proceeds from disposal of property, plant and equipment and intangible assets		678	70
Interest received		1,734	3,960
Dividends from associates		196	131
Net cash flows used in investing activities		(46,462)	(97,527)
Cash flows used in financing activities			
Principal elements of lease payments	26	(4,570)	(5,616)
Dividends paid to equity shareholders of Ferrexpo plc	12	(8)	(46)
Net cash flows used in financing activities		(4,578)	(5,662)
Net decrease in cash and cash equivalents		(47,682)	(11,287)
Cash and cash equivalents at the beginning of the year		105,919	115,241
Currency translation differences		210	1,965
Cash and cash equivalents at the end of the year	25	58,447	105,919

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

US\$000	Attributable to equity shareholders of Ferrexpo plc					Non-controlling interests (Note 32)	Total equity
	Issued capital (Note 31)	Share premium (Note 31)	Other reserves (Note 31)	Retained earnings	Total capital and reserves		
At 1 January 2024	121,628	185,112	(2,676,294)	3,482,883	1,113,329	81	1,113,410
Loss for the year	–	–	–	(50,046)	(50,046)	16	(50,030)
Other comprehensive loss	–	–	(132,930)	(7,040)	(139,970)	(24)	(139,994)
Total comprehensive loss for the year	–	–	(132,930)	(57,086)	(190,016)	(8)	(190,024)
Share-based payments (Note 28)	–	–	320	–	320	–	320
Equity dividends to shareholders of Ferrexpo plc (Note 12)	–	–	–	(46)	(46)	–	(46)
At 31 December 2024	121,628	185,112	(2,808,904)	3,425,751	923,587	73	923,660
Loss for the year	–	–	–	(223,911)	(223,911)	(21)	(223,932)
Other comprehensive income	–	–	(4,267)	7,520	3,253	6	3,259
Total comprehensive loss for the year	–	–	(4,267)	(216,391)	(220,658)	(15)	(220,673)
Share-based payments (Note 28)	–	–	431	–	431	–	431
Equity dividends to shareholders of Ferrexpo plc (Note 12)	–	–	–	(5)	(5)	–	(5)
At 31 December 2025	121,628	185,112	(2,812,740)	3,209,355	703,355	58	703,413

The accompanying notes are an integral part of the consolidated financial statements.

Although accounts are published in US dollars and dividends are declared in US dollars, the shares are denominated in UK pounds sterling and dividends are therefore paid in UK pounds sterling. See Note 12 Earnings per share and dividends paid and proposed for further information.

NOTE 1: CORPORATE INFORMATION

Ferrexpo plc (the “Company”) is incorporated and registered in England and Wales, of which England is considered to be the country of domicile, with its registered office at 55 St James’s Street, London SW1A 1LA, UK. The Company is listed on the London Stock Exchange. Ferrexpo plc and its subsidiaries (the “Group”) operate two mines and a processing plant near Kremenchuk in Ukraine, have an interest in a port in Odessa and sales and marketing activities around the world, including offices in Switzerland, the U.A.E. (Dubai), Japan, China, Singapore and Ukraine. The Group also owns logistics assets in Austria, which operate a fleet of vessels operating on the Rhine and Danube waterways and an ocean-going vessel, which provided top-off services until it was sold in April 2026. The Group’s operations are vertically integrated from iron ore mining through to iron ore concentrate and pellet production and subsequent logistics. The Group’s mineral properties lie within the Kremenchuk Magnetic Anomaly and are currently being extracted at the Gorishne-Plavynske-Lavrykivske (“GPL”) and Yerystivske deposits.

Despite the ongoing war in Ukraine, the Group has managed to continue its operations throughout the financial year 2025. The business environment in Ukraine remains difficult and challenging. This is not just because of the ongoing war, but also because of several ongoing legal disputes in the country. As disclosed in Note 35 Events after the reporting period included in the published 2024 Annual Report and Accounts, personal sanctions have been imposed on Kostyantyn Zhevago (“Mr Zhevago”) by the State of Ukraine. These sanctions, which have been treated as a non-adjusting post balance sheet event as at 31 December 2024, are personal in nature and have not been imposed on any member of the Ferrexpo Group. As a result of these sanctions against Mr Zhevago, since March 2025, the tax authorities in Ukraine refused to make VAT refunds to the Group’s subsidiaries in Ukraine. As a consequence, the Group had to reduce its forecast production plan for 2025 to minimise the impact of the rejected VAT refunds on the Group’s liquidity, which affected the sales to the Group’s international customers and its cash flow generation during the financial year 2025. The lower cash flow generation did not only have an impact on the Group’s available cash balance throughout the financial year 2025, but also on the Group’s long-term model used for the impairment test. The impairment tests performed during the financial year 2025 resulted in an impairment loss of US\$154,323 thousand (2024: US\$71,635 thousand), which was recorded as 30 June 2025. Further to that, following attacks on Ukrainian energy infrastructure on 8 November 2025, the supply of power to the Group’s operations has been affected and as a result its production of iron ore pellets and concentrate was interrupted and affected later in November and December 2025. The lower level of production during this period had a substantial impact on the Group’s sales during these months and, as result, also on its profitability and cash flow generation. Following intensified attacks from Russia on port infrastructure and civil vessels in the Black Sea in July 2026, the logistics route via the ocean-going Black Sea ports in Ukraine is currently unavailable to the Group. As at the date of the approval of these consolidated financial statements, the war is still ongoing and continues to pose a significant threat to the Group’s mining and processing operation, and its logistics routes within Ukraine. In addition to the war-related material uncertainty, the Group is also exposed to the risks associated with operating in a dynamic and adverse political landscape in Ukraine, which may or may not be exacerbated by the war and the current circumstances facing the Group in Ukraine. See Note 2 Basis of preparation, Note 13 Property, plant and equipment and Note 30 Commitments, contingencies and legal disputes for further information.

The largest shareholder of the Group is Fevamotoinico S.a.r.l. (“Fevamotoinico”), a company incorporated in Luxembourg. Fevamotoinico is ultimately wholly owned by The Minco Trust, of which Kostyantyn Zhevago (“Mr Zhevago”) and two other members of his family are the beneficiaries. At the time this report was published, Fevamotoinico held 49.3% (49.3% as at the time of publication of the 2024 Annual Report and Accounts) of Ferrexpo plc’s issued voting share capital (excluding treasury shares).

NOTE 2: BASIS OF PREPARATION

The consolidated financial statements of Ferrexpo plc and its subsidiaries have been prepared in accordance with International Financial Reporting Standards adopted for use in the United Kingdom (“UK adopted IFRS”) and with the Companies Act 2006, as applicable to companies reporting under international accounting standards. Entities are included in the consolidated financial statements from the date of obtaining control and the inclusion in the consolidated financial statements is consequently ceased when the control over an entity is lost. For the definition of control see Note 32 Consolidated subsidiaries.

The consolidated financial statements have been prepared on a historical cost basis, except for post-employment benefits measured in accordance with IAS 19 revised *Employee benefits* and revenues related to provisionally priced sales recognised in accordance with IFRS 15 *Contracts with customers* at the estimated fair value of the consideration receivable until final pricing is determined. The consolidated financial statements are presented in thousands of US dollars and all values are rounded to the nearest thousand except where otherwise indicated.

The material accounting policy information is included in the disclosure notes to the specific financial statement accounts.

GOING CONCERN

Throughout the financial year 2025, the situation in Ukraine remained unpredictable and extremely challenging due to the ongoing war and legal actions against the Group. The Group showed strong momentum at the beginning of the year, resulting in the Group’s best production in the first quarter since the full-scale invasion in February 2022. This strong momentum was significantly curtailed in the second quarter as the Group started to experience the full impact of the Ukrainian tax authorities’ decisions to suspend the refund of VAT to the Group’s subsidiaries in Ukraine. The situation further deteriorated in the last quarter of 2025, when the intensity and frequency of missile and drone attacks on Ukraine’s energy, transport, and port infrastructure increased. This led to power cuts and a sharp rise in electricity prices, which had a further negative impact on the Group’s business operations in the fourth quarter. Following intensified attacks from Russia on port infrastructure and civil vessels in the Black Sea in July 2026, the logistics route via the ocean-going Black Sea ports in Ukraine is currently unavailable to the Group. Given the importance of this route for both parties involved in this war and for the global grain supply, it is management’s view the situation will ease later in 2026 and it is therefore expected that the Black Sea ports should once again be available to the Group for its sales to certain markets. Management is aware that the timing of the availability of the ocean-going Black Sea ports in Ukraine is subject to significant uncertainty and management is currently assessing alternative logistics routes as done in 2022 and 2023, when these ports were unavailable for an extended time. However, channelling sales through alternative logistics routes may result in lower sales volumes and/or higher logistics costs.

Following the personal sanctions imposed on Mr Zhevago by Ukrainian authorities on 12 February 2025, the Group’s subsidiaries in Ukraine have not been receiving VAT refunds since March 2025. As a result of the suspension of VAT refunds in Ukraine, the Group had to adjust its production plan to mitigate working capital outflows and preserve cash, affecting the Group’s financial performance during the financial year 2025, but also the expected cash flow generation during the period covered by the Group’s going concern assessment.

NOTE 2: BASIS OF PREPARATION CONTINUED

As part of management's going concern assessment, the Group continuously adjusts its financial long-term model to reflect the latest developments in terms of possible production and sales volumes as well as latest market prices and production costs. The financial long-term model was updated using management's best estimate of reasonably conservative key assumptions, taking also into account the current circumstances the Group must operate in, including the effects from the suspension of VAT refunds and the ongoing legal actions against the Group in Ukraine.

The level of the Group's production is currently restricted due to outstanding VAT refunds and also remains dependent on a constant power supply and the logistics network available to the Group as well as other potential adverse effects on the Group's operation due to the ongoing war, which are reflected in the Group's financial long-term model.

Both the war and the legal actions against the Group in Ukraine are still ongoing, which have affected the Group's business activities, including available logistic routes, and thus its profitability and cash flow generation during the financial year ended 31 December 2025 and are also expected to have a continuing impact on the next 18 months following the approval of these consolidated financial statements, which includes the period covered by the Group's going concern assessment. The suspension of VAT refunds has continued in 2026, significantly affecting the Group's available cash balance. The total net outstanding VAT refunds are US\$87,982 thousand at the end of June 2026, of which US\$86,911 thousand had been claimed for refund from the Ukrainian tax authorities and refunds totalling US\$84,265 thousand have been refused by the tax authorities, both as at the date of approval of these consolidated financial statements, because of the association of the Group with Mr Zhevago as a consequence of the personal sanctions imposed on him.

As a result of the challenging situation during the financial year ended 31 December 2025, the Group's total commercial production totalled 6,142 thousand tonnes of iron ore pellets and concentrate, a decrease of 11% compared to 6,890 thousand tonnes during the comparative year ended 31 December 2024. As no VAT refunds have been received since March 2025, the Group significantly reduced its capital expenditure programme, which however could only partially offset the significantly lower operating cash flow generation. As a result, the closing balance of cash and cash equivalents decreased to US\$58,447 thousand as at 31 December 2025, compared to US\$105,919 thousand as of 31 December 2024.

As at the date of the approval of these consolidated financial statements, the Group has an available cash balance of approximately US\$26,300 thousand and is in a net cash position of approximately US\$17,700 thousand. In addition to the available cash balance, the Group has an outstanding trade receivable balance of approximately US\$6,300 thousand from its pellet and concentrate sales, which is expected to be collected in the next few months, and finished goods already stockpiled of 234 thousand tonnes at different ports or storage locations other than the plant.

The challenging and unpredictable environment in which the Group has been operating since the beginning of the invasion and the ongoing war, whose duration and impact on the Group's activities in future periods are difficult to predict, continue to represent a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. In addition to the war-related material uncertainty, the Group is also exposed to the risks associated with operating in a dynamic and adverse political landscape in Ukraine, which is exacerbated by the war and/or the current circumstances facing Mr Zhevago. As a result, the Group is exposed to a number of risk areas that are heightened compared to those expected in a stable economy, such as an environment of political, fiscal and legal uncertainties, which represents another material uncertainty as at the date of the approval of these consolidated financial statements.

Despite the challenging environment in which the Group has operated in recent years, the Group managed to maintain an available cash balance of over US\$100,000 thousand at the end of the previous financial years. Due to the suspension of VAT refunds in Ukraine, the situation continued to deteriorate and the Group's available cash reserves declined steadily during the financial year 2025, totalling US\$58,447 thousand as at 31 December 2025. Despite the fact that the Group remains focused on managing its costs and optimising its sales mix, management expects the Group's liquidity to be sufficient until at least mid-September 2026. It is therefore the Directors' intention to raise gross proceeds of approximately US\$100,000 thousand by way of a conditional placing of Ordinary Shares to support the Group's working capital position and fund its ongoing operations. This planned fundraise is expected by management to be completed in late September 2026 and will provide the necessary immediate recapitalisation and place the Group in a stronger financial position, thereby enabling the Group to have more time to deal with the current challenging environment. The fundraise is conditional on all of the resolutions being passed by the shareholders of Ferrexpo plc. If the resolutions are not passed by the shareholders, or if any of the other conditions are not satisfied, the planned fundraise will not proceed, which will have a significant impact on the Group's ability to continue as a going concern, if no alternative funding can be secured before the liquidity is expected to be exhausted. As the fundraise is expected to be completed subsequent to the approval of these consolidated financial statements, the outcome of the fundraise represents a further material uncertainty, as it is to some extent outside of the Group's control.

The base case of the financial long-term model, including an inflow of US\$100,000 thousand from the planned fundraise, shows that the Group has sufficient liquidity under the base case assumptions to continue its operations at a reduced level throughout the entire period of management's going concern assessment, covering a period of 18 months from the date of approval of these consolidated financial statements. No VAT refunds are assumed during the 18 months of the Group's going concern assessment. The updated base case assumes a pellet production volume of approximately 40% and 64% of the pre-war level for the financial years 2026 and 2027, respectively, and an expected start of the recovery to the pre-war level in the second half of 2028.

The Group's cash flow generation is most sensitive to sales price changes. The sensitivities prepared for reasonably possible adverse changes, with a focus on the expected realised prices, show negative cash balances under some scenarios in the last quarter of 2027, before any mitigating actions are taken, such as a further reduction of operating expenditures and the Group's mining and maintenance activities. However, with the significant reduction of the Group's operation in the long-term model, the available mitigating actions also reduced significantly. As a result, the possible mitigating actions under the full control of management might not be sufficient to offset certain negative effects from reasonably possible adverse changes to the base case.

Considering the tight available cash balances under the base case scenario and sensitivity to realised prices, the Group's available cash balance is expected to be depleted in the last quarter of 2027, when combining all effects of reasonably plausible changes under a stress test scenario. However, it is management's position that, as in the past, a combination of all reasonably possible or plausible adverse changes in respect of realised prices and production costs is unlikely to happen as a result of the historical natural hedge between iron ore prices and prices for key input materials.

NOTE 2: BASIS OF PREPARATION CONTINUED

As disclosed in Note 30 Commitments, contingencies and legal disputes, the ongoing legal actions against the Group have led to an escalation of a number of risks, including risks relating to the political environment and the independence of the legal system in Ukraine, which might be exacerbated by the ongoing war. These risks remain at the date of the approval of these consolidated financial statements and could have a material negative impact on the Group's business activities and, as a consequence, on the Group's ability to continue as a going concern.

The court proceedings before the Supreme Court of Ukraine in respect of contested sureties (see Note 30 Commitments, contingencies and legal disputes for further details) continued during the financial year 2025 and first months of 2026. Although management is of the opinion that this claim is without merit, the full provision in the amount of UAH4,727 million (US\$111,517 thousand as at 31 December 2025), which was recorded as at the end of 2023, was not released, considering the magnitude of this specific claim and the risks associated with the judicial system in Ukraine. The outcome of this ongoing legal dispute continues to represent a material uncertainty in terms of the Group's ability to continue as a going concern.

In respect of the contested sureties claim and the opening of bankruptcy proceedings against FPM mentioned above, no decision has been made by the Supreme Court in the contested sureties claim as at the date of the approval of these consolidated financial statements. The next hearing before the Supreme Court is scheduled for 12 October 2026. On 18 August 2026, the court of appeal in Kharkiv dismissed FPM's appeal in the bankruptcy case. If the Supreme Court rules in favour of the claimants in the contested sureties case, this would mean that FPM's bankruptcy process will continue, which could potentially have a material negative impact on the Group's business activities and its ability to continue as a going concern. Following that negative decision of the court of appeal in the bankruptcy case, on 21 August 2026, FPM filed a cassation appeal to the Supreme Court of Ukraine. In the meantime, it is not possible to assess the potential impact of such bankruptcy proceedings and their timing, as these depend on further court proceedings, which may extend over a considerable period of time. In terms of the claim received regarding alleged illegal mining and selling of subsoil (minerals other than iron ore), several hearings took place in 2025 and 2026 and it is still expected that this will be a protracted process. However, considering the magnitude of the subsoil claim, a final decision in this case could have a negative impact on the Group's ability to continue as a going concern.

A future cash outflow, which also depends on the details and technicalities of a possible enforcement in the event of a negative decision by the Supreme Court, is likely to have a significant impact on the Group's future cash flow generation and available cash balance and, as a consequence, on the Group's ability to continue as a going concern. As announced on 24 February 2026, a local court of first instance in Poltava ordered the opening of bankruptcy proceedings against Ferrexpo Poltava Mining ("FPM"). This ruling is in relation to the contested sureties claim, which is still under review by the Supreme Court of Ukraine. Therefore, the local court opened the bankruptcy proceedings without a final decision by the Supreme Court on the main litigation having been made. FPM filed an appeal which was dismissed by the court of appeal in Kharkiv on 18 August 2026. On 21 August 2026, FPM filed a cassation appeal to the Supreme Court of Ukraine. There is a risk that actions of the appointed insolvency manager could have a significant impact on the Group's ability to continue as a going concern.

As announced on 4 February 2025, the Group's subsidiary FPM has received a civil claim seeking joint liability of FPM and its General Director for damages amounting to UAH157 billion (approximately US\$3.7 billion as at 31 December 2025) in favour of the Ukrainian state (see Note 30 Commitments, contingencies and legal disputes for further details). Management is of the opinion that these accusations and the claim are without merit and FPM has started the vigorous defence of its position in the Ukrainian courts. The outcome of this legal dispute depends on further legal proceedings and it is expected that this will be a protracted process, with a final court ruling likely made outside of the Group's going concern period. See Note 30 Commitments, contingencies and legal disputes for further information, which should be read in conjunction with this note.

As mentioned above, the Ukrainian subsidiaries of the Group have not been receiving VAT refunds since March 2025. Although, the sanctions imposed on Mr Zhevago have not been imposed on any member of the Group, the personal sanctions on Mr Zhevago have implications for the Group's operation and, as a consequence, on its profitability and cash flow generation, which could have an impact on the Group's ability to continue as a going concern. In connection with the personal sanctions on Mr Zhevago, on 20 February 2025, the State Bureau of Investigation (the "SBI") made a media announcement regarding a potential claim to the High Anti-Corruption Court of Ukraine (the "HACC") to nationalise 49.5% of shares in FPM and certain of its assets. As at the date of approval of these consolidated financial statements, FPM has not received a formal notification of such a claim. Further to that, under Ukrainian laws, the SBI has no authority to petition, bring claims or make proposals (both on nationalisation or application of any asset-confiscation sanction) to the HACC. Nonetheless, in the event of a nationalisation of 49.5% of shares in FPM and certain of its assets, it is likely this would have a significant impact on the Group's ability to continue as a going concern as FPM could lose key assets required for the production of iron ore pellets and concentrate. See Note 12 Earnings per share and dividends paid and proposed for further details regarding the impact on the equity attributable to the shareholders of Ferrexpo plc and its future distributable reserves.

As disclosed in detail in the Group's interim condensed consolidated financial statements as of 30 June 2025, on 4 March 2025, the SBI made a media statement that the Pecherskyi District Court of Kyiv has granted a request of the Prosecutor General's Office of Ukraine to transfer 49.5% of the corporate rights in FPM held by FAG to Ukraine's Asset Recovery and Management Agency ("ARMA"). This transfer is in connection with ongoing proceedings against Mr Zhevago relating to Bank F&C, as disclosed in detail on pages 248 and 249 of Note 30 Commitments, contingencies and legal disputes. See Note 12 Earnings per share and dividends paid and proposed for further details regarding the impact on the equity attributable to the shareholders of Ferrexpo plc and its future distributable reserves.

As disclosed in Note 11 Taxation, the Group's two major subsidiaries in Ukraine received tax audit reports in September and November 2023, stating potential claims for underpayment of corporate profit taxes in Ukraine of UAH2,162 million (US\$51,005 thousand as at 31 December 2025) and UAH259 million (US\$6,110 thousand as at 31 December 2025), respectively. Negative decisions by the court of appeal, after potential negative decisions of the court of first instance, are likely to have a significant impact on the Group's future cash flow generation and available cash balance and, as a consequence, on the Group's ability to continue as a going concern. See Note 11 Taxation for further information.

The claims and certain decisions received by the courts in Ukraine are another example of the risk of operating in a dynamic and adverse political landscape in Ukraine, which creates additional challenges for both the Group's subsidiaries in Ukraine and, also for the Group itself.

NOTE 2: BASIS OF PREPARATION CONTINUED

As at the date of the approval of these consolidated financial statements, the Group's operations, located adjacent to the city of Horishni Plavni, have not been directly affected by the ongoing war, but this remains a risk. Should the area surrounding the Group's operations become subject to the armed conflict, there would be a significant risk posed to the safety of the Group's workforce and the local community, as well as a significant risk to key assets and the infrastructure required for the Group to operate effectively. See the Principal Risks section on pages 103 and 106 for further information on the Ukraine country risk.

The Group has assessed that, taking into account:

- i) its available cash and cash equivalents;
- ii) its cash flow projections, adjusted for the effects caused by the ongoing war in Ukraine and potential absence of VAT refunds, for the period of management's going concern assessment covering a period of 18 months from the date of the approval of these consolidated financial statements;
- iii) the feasibility and effectiveness of all available mitigating actions within management's control for identified uncertainties;
- iv) the legal merits in terms of the ongoing legal dispute regarding the above mentioned contested sureties, including the bankruptcy proceedings against FPM, and potential future actions available to protect the interests of the Group in case of a negative decision from the Supreme Court;
- v) the suspension of VAT refunds, which might not resume as expected by management;
- vi) the logistics route via the ocean-going Black Sea ports in Ukraine, which is currently unavailable and which may not be available to the Group as currently expected by management and as reflected in the Group's current long-term model;
- vii) the risk of nationalisation of 49.5% of shares in FPM and certain of its assets, which is outside of management's control, the uncertainty in relation to the independence of the judicial system and its immunity from economic and political influences in Ukraine, which could have an impact on the outcome of the ongoing legal disputes; and

viii) the uncertainty in relation to a successful completion of the planned fundraising in late September 2026,

there remains a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Despite the current situation of the ongoing war, the Group's legal disputes in Ukraine and the prospects of the planned fundraise in late September 2026, the Group continues to prepare its consolidated financial statements on a going concern basis. This conclusion also takes into account management's ability to adapt the Group's operation to changing circumstances caused by the war, including availability of logistic routes, the effects of the suspension of VAT refunds in Ukraine and the independent legal advice received regarding the merits of the ongoing legal actions against the Group in Ukraine. However, as explained above, many of the identified material uncertainties in respect of the ongoing war and legal disputes are outside of management's control, and are unpredictable, which may cast significant doubt upon the Group's ability to continue as a going concern. For more information on critical judgements made by management in preparing these consolidated financial statements, see also Note 30 Commitments, contingencies and legal disputes in respect of other ongoing legal proceedings and disputes and Note 35 Events after the reporting period.

If the Group is unable to continue to realise assets and discharge liabilities in the normal course of business, it would be necessary to adjust the amounts in the statement of financial position in the future to reflect these circumstances, which may materially change the measurement and classification of certain figures contained in these consolidated financial statements.

IMPACT OF CLIMATE CHANGE ON THE GROUP'S FINANCIAL STATEMENTS

The Group acknowledges the potential impact of climate change on its operations and recognises that climate change could have direct and indirect financial implications in the future.

Despite the ongoing war in Ukraine, the Group remains committed to reduce its Scope 1 and Scope 2 carbon emissions by 50% by 2030, compared to the baseline year of 2019, and is targeting a net zero production for Scope 1 and Scope 2 carbon emissions by 2050.

In terms of the Group's net zero pathway, it is important to acknowledge that the Group is still operating in a challenging environment, which requires the fast adaption to new circumstances and uncertainties that are outside of the Group's control. As a result, there is a risk that the Group may also need to adapt its carbon emission reduction and net zero targets, depending on the duration and impact of the ongoing war in Ukraine. Further information is provided in the Group's 2024 Responsible Business Report published in November 2025 and the 2023 Climate Report published in December 2024.

The ongoing war in Ukraine continues to have an impact on the Group's cash flow generation and profitability. As a result, certain projects related to the Group's Scope 1 and Scope 2 carbon emission targets and the net zero pathway were stopped since the beginning of the war in February 2022. In terms of the impact on the Group's operation in Ukraine, see Note 2 Basis of preparation, going concern, on pages 205 to 208 for further information. As a consequence of the ongoing war in Ukraine, the Group has not entered into any significant commitments for the renewal and replacement of processing and mining equipment in its operations, particularly in Ukraine, as it had been planned prior to the outbreak of the war.

Physical risks

The Group is aware of the potential increased risks that climate change could pose to its assets in Ukraine. In preparing the consolidated financial statements, the Group considered the potential impacts of climate related physical risks (specifically heatwaves) on its operations, assets, and liabilities, informed by climate scenario analysis conducted in 2024 in line with TCFD recommendations. However, it was determined that there is no immediate risk at this time and the Group will continue to monitor and consider these risks when planning the renewal and replacement of its existing operating assets.

NOTE 2: BASIS OF PREPARATION CONTINUED

Transition risks and opportunities

The Group is aware of a potential shift towards a low-carbon economy and the potential implications for its business models, which could affect market demand for its iron ore products in the medium to long term.

Following the climate scenario analysis in 2024 the Group is aware of the downstream market opportunities arising from the increased demand for low carbon steel. The Group's production of a low carbon iron ore pellet provides a significant opportunity and it is facilitating stakeholder engagement to explore this market.

The Group is in the position to produce Direct Reduction ("DR") pellets and continues to monitor the market and invest in customer relationships in order to secure fixed supply volumes in the short, medium and long term. The shift does not affect the Group's finished goods on stock as at 31 December 2025 as these are still in demand and expected to be sold in the coming months.

The transition risks, as well as the Group's Scope 1 and Scope 2 carbon emission targets and the net zero pathway, could also have an impact on the Group's processing and mining equipment required in the future. In the absence of any significant commitments for processing and mining equipment as at 31 December 2025, there is no significant impact on the expected remaining useful lives of the Group's operating assets at this time. Furthermore, the Group assumes that its critical operating assets will continue to be an essential part of the Group's business activities in the future. However, the Group will continue to monitor these risks and take them into account when planning the renewal and replacement of its existing operating assets.

As at the time of approval of these consolidated financial statements, no significant changes to the Group's mine plan are expected that could have a material impact on the Group's operating assets, which are either amortised based on the expected remaining useful life or the unit of production method, and on the recognised site restoration provisions. However, the Group's mine plan is being affected by the ongoing war in Ukraine, which requires a high degree of flexibility and adaptability, and may consequently lead to adjustment to the mine plan.

There are a number of work streams underway to develop the Group's decarbonisation pathway and create a structure on which to plan and prioritise future investments. This pathway is, however, also dependent on the duration and impact of the ongoing war in Ukraine. The Group's business model is regularly updated based on the circumstances in Ukraine and more clarity about the Group's future decarbonisation pathway is expected to be available, once the war comes to an end, allowing the Group to make required commitments for the renewal and replacement of processing and mining equipment.

For further information on ongoing workstreams and the Group's climate-related financial disclosures, see the Responsible Business section in the Strategic Report on pages 62 to 73. See also the Group's Principal Risk section on page 113 for further information on risks relating to climate change.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements for Ferrexpo plc and its subsidiaries as at 31 December each year. The financial statements of the subsidiaries are prepared as at the same reporting date as Ferrexpo plc's, using consistent accounting policies.

Subsidiaries are fully consolidated from the date the Group obtains control, which exists from the point of time when the Group is exposed to, or has rights to, variable returns from an entity and the Group has the ability to affect those returns through its power to direct the activities of an entity. Similarly, subsidiaries disposed of are deconsolidated from the date on which the Group ceases to hold control.

A change in the ownership interest of an entity without obtaining or losing control is accounted for as an equity transaction.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

BUSINESS COMBINATIONS

On the acquisition of a subsidiary, the business combination is accounted for using the acquisition method. The cost of an acquisition is measured as the aggregated amount of the fair value of the consideration transferred, measured at the date of acquisition. The consideration paid is allocated to the identifiable assets acquired and liabilities (including contingent liabilities) assumed on the basis of fair values at the date of acquisition. Any excess of the consideration transferred over the net of the fair value of the identifiable assets acquired and liabilities assumed is recognised as goodwill. If the fair value of the identifiable net assets exceeds the consideration transferred, a bargain purchase gain is recognised in profit or loss. Acquisition costs are expensed when incurred and included in general and administrative expenses.

FUNCTIONAL AND PRESENTATIONAL CURRENCIES

Based on the economic substance of the underlying business transactions and circumstances relevant to the parent, the functional currency of the parent has been determined to be the US dollar, with each subsidiary determining its own functional currency based on its own circumstances. The Group has chosen the US dollar as its presentational currency. The functional currency of Ukrainian subsidiaries, which is where the Group's main operations are based, is the Ukrainian hryvnia.

FOREIGN CURRENCY TRANSLATION

For individual subsidiary company accounts, transactions in foreign currencies (i.e. other than the functional currency) are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the rate of exchange ruling at the reporting date and non-monetary assets and liabilities at the historic rate. Foreign exchange differences arising on translation are recognised in the consolidated income statement.

For presentation of the Group's consolidated financial statements, if the functional currency of a subsidiary is different to the presentational currency as at the reporting date, the assets and liabilities of this entity are translated into the presentational currency at the rate ruling at the reporting date and the consolidated income statement is translated using the average exchange rate for the year based on the officially published rates by the National Bank of Ukraine ("NBU"). The foreign exchange differences arising are recognised in other comprehensive income and taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount of exchange differences recognised in equity relating to the particular foreign operation is recognised in the consolidated income statement.

NOTE 3: NEW ACCOUNTING POLICIES

NEW STANDARDS AND INTERPRETATIONS ADOPTED

The accounting policies and methods of computation adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024 except for the adoption of new standards, interpretations and amendments to UK adopted IFRS effective as at 1 January 2025.

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED WITHOUT AN IMPACT ON THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS

Amendments to IAS 21 *Lack of Exchangeability* provide guidance on when a currency is exchangeable into another currency and further clarify how a spot rate is estimated when a currency lacks exchangeability.

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET ADOPTED

The Group has elected not to adopt early any revised and amended standards or interpretations that are not yet mandatory in the UK. The standards and interpretations below could have an impact on the consolidated financial statements of the Group in future periods.

Amendments to IFRS 7 and IFRS 9 *Classification and Measurement of Financial Instruments* were issued in May 2024 and are effective for annual reporting periods beginning on or after 1 January 2026. The amendments provide further clarification and requirements for the recognition and derecognition criteria for financial assets and liabilities, the classification requirements for financial assets, particularly those containing contingent features (such as ESG-linked targets) and non-recourse features or contractually linked instruments. It also requires disclosures related to the amendments to the classification requirements and also for investments in equity instruments designated at fair value through other comprehensive income. The Group does not expect a material impact on its consolidated financial statements because of these amendments.

Amendments to IFRS 7 and IFRS 9 *Contracts Referencing Nature-dependent Electricity* were issued in December 2024 and are effective for annual reporting periods beginning on or after 1 January 2026. The amendments clarify the own-use exemption and hedge accounting for contracts linked to electricity generation dependent on natural conditions (e.g. wind, solar). The IASB clarified that other contracts, for example, contracts for electricity generated from biofuel, are not within the scope of the amendments because such electricity generation is not subject to the same uncertainty as in-scope contracts. Entities must assess whether they are net purchasers of electricity to qualify for own-use treatment and may designate variable nominal volumes in cash flow hedges to reflect renewable variability. New IFRS 7 disclosures require qualitative and quantitative information on these contracts, related commitments, and their impact on performance. The Group does not expect a material impact on its consolidated financial statements because of these amendments.

New standard IFRS 18 *Presentation and Disclosure in Financial Statements* was published by the International Accounting Standards Board ("IASB") on 9 April 2024. The new standard will be effective for annual reporting periods beginning on or after 1 January 2027. It requires the presentation of two new defined subtotals in the consolidated income statement a) operating profit and profit before financing and income taxes as well as the disclosure of management-defined performance measures ("MPMs") and b) subtotals of income and expenses not specified by IFRS Accounting Standards that are used in public communications to communicate management's view of an aspect of an establishment's financial performance. It also requires a reconciliation between the MPMs and the most directly comparable totals or subtotals specified by IFRS Accounting Standards, in order to provide transparency on the entity-specific performance measures. Ferrexpo Group assessed the implications of the new IFRS 18 standard and has identified the changes required for presentation of the consolidated income statement and prepared the new mapping of the accounts to meet the requirements of the new standard. The disclosure requirements related to the management-defined performance measures ("MPMs") are currently still examined. With the exception of the addition of the two new defined subtotals and the disclosures on MPMs, the Group does not expect a material impact on its consolidated financial statements because of this new standard.

There are limited changes to IAS 7 *Statement of Cash Flows* to improve comparability by specifying a consistent starting point for the indirect method of reporting cash flows from operating activities and eliminating options for the classification of interest and dividend cash flows. The new standard will be effective for annual reporting periods beginning on or after 1 January 2027 and enhances the general and specific requirements for aggregation and disaggregation to help the Group to provide useful information. The specific requirements include those for disaggregation of 'other' balances, such as the presentation of operating expenses in the income statement and disclosure of specified operating expenses by nature included in each function line item. The Group does not expect a material impact on its consolidated financial statements because of this new standard.

The Group expects that all other standards, interpretations and amendments issued at the reporting date, but not yet to be adopted for these financial statements, are not relevant to the Group as they do not have a material impact on its consolidated financial statements and are therefore not listed above.

NOTE 4: USE OF CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and judgements that affect the amounts reported in the consolidated financial statements and accompanying notes. These estimates and judgements are based on information available as at the date of authorising the consolidated financial statements for issue. Actual results could therefore differ from those estimates and judgements.

The consideration of the impact of climate change on the Group's financial statements did not require critical estimates and judgements when preparing the consolidated financial statements as at 31 December 2025.

The Group identified a number of areas involving the use of critical estimates and judgements made by management in preparing the consolidated financial statements and supporting information is embedded within the following notes:

CRITICAL ESTIMATES

- Note 13 Property, plant and equipment – impairment consideration based on key assumptions

As disclosed in Note 13 Property, plant and equipment, the preparation of the Group's long-term model is based on management's best estimate of key assumptions, such as the expected future prices for iron ore products and for key input materials as well as possible production and sales volumes, taking also into account the current circumstances the Group has to operate in. Any adverse changes to these key assumptions could pose a risk for significant adjustments in future periods.

NOTE 4: USE OF CRITICAL ESTIMATES AND JUDGEMENTS CONTINUED**CRITICAL JUDGEMENTS**

- Note 2 Basis of preparation – going concern assumption
- Note 11 Taxation – transfer pricing claims, tax legislation in Ukraine and development in international tax environment
- Note 13 Property, plant and equipment – impairment consideration as a result of the ongoing war in Ukraine
- Note 20 Other taxes recoverable and payable – recoverability of outstanding VAT in Ukraine
- Note 30 Commitments, contingencies and legal disputes – assessment of matters in an environment of political, fiscal and legal uncertainties
- Note 35 Events after the reporting period – non-adjusting post balance sheet events

The most critical judgement made by the management is in respect of the timing of when the Group's operation is expected to recover to pre-war levels. As disclosed in Note 13 Property, plant and equipment, there is a risk of material adjustments in future periods in case of a delay of the recovery to pre-war levels. In addition, the duration and impact of the ongoing war in Ukraine could pose a further risk for significant adjustments in future periods.

NOTE 5: SEGMENT INFORMATION

The Group is managed as a single segment, which produces, develops and markets its principal product, iron ore pellets and concentrate, for sale to the metallurgical industry. While the revenue generated by the Group is monitored at a more detailed level, there are no separate measures of profit reported to the Group's Chief Operating Decision-Maker ("CODM"). In accordance with IFRS 8 *Operating Segments*, the Group presents its results in a single segment, which are disclosed in the consolidated income statement for the Group. Management monitors the operating result of the Group based on a number of measures including Underlying EBITDA, gross profit and net cash.

UNDERLYING EBITDA AND GROSS PROFIT

The Group presents the Underlying EBITDA as it is a useful measure for evaluating its ability to generate cash and its operating performance. The Group amended its definition of Underlying EBITDA during the financial year 2024 by excluding operating foreign exchange gains and losses. The full definition of Underlying EBITDA and details in respect of the amended definition are provided in the Alternative Performance Measures ("APMs") section.

US\$000	Notes	Year ended 31.12.25	Year ended 31.12.24
(Loss)/profit before tax and finance		(209,816)	19,928
(Gains)/losses on disposal and liquidation of property, plant and equipment		(572)	231
Share-based payments	28	431	320
Write-offs and impairments	7	160,936	71,871
Allowance on overdue VAT receivable balances	20	13,139	–
Depreciation and amortisation		68,406	60,281
Operating foreign exchange gains		(4,969)	(83,321)
Underlying EBITDA		27,555	69,310

US\$000	Notes	Year ended 31.12.25	Year ended 31.12.24
Revenue	6	787,324	933,263
Cost of sales	7	(504,214)	(597,438)
Gross profit		283,110	335,825

NET CASH

Net cash as defined by the Group comprises cash and cash equivalents less lease liabilities.

US\$000	Notes	As at 31.12.25	As at 31.12.24
Cash and cash equivalents	25	58,447	105,919
Lease liabilities – current	26	(4,228)	(4,665)
Lease liabilities – non-current	26	(6,792)	(419)
Net cash		47,427	100,835

With the exception of lease liabilities, the Group does not have any outstanding interest-bearing loans and borrowings as at 31 December 2025 and the end of the comparative year ended 31 December 2024.

Net cash is an APM. Further information on the APMs used by the Group, including the definitions, is provided on pages 266 and 267.

DISCLOSURE OF REVENUE AND NON-CURRENT ASSETS

The Group does not generate significant revenues from external customers attributable to the UK, the Company's country of domicile. The information on the revenues from external customers attributed to the individual foreign countries is given in Note 6 Revenue. The Group does not have any significant non-current assets that are located in the country of domicile of the Company. The vast majority of the non-current assets are located in Ukraine.

NOTE 6: REVENUE

ACCOUNTING POLICY

Revenue recognition

Revenue is recognised to the extent that it is probable that the Group will collect the consideration to which it expects to be entitled in exchange for transferring promised goods or services to a customer. The following specific recognition criteria are to be met before revenue is recognised.

Sale of goods including sales of pellets and fuel from bunker business

Revenue is recognised when the control of the goods has passed to the buyer and can be reliably measured.

The amount of revenue recognised reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services. The Group does not have any material variable considerations, such as retrospective volume rebates and rights of returns, in the contracts with its customers. Revenues related to provisionally priced sales are initially recognised at the estimated fair value of the consideration receivable based on the forward price at each reporting date for the relevant period outlined in the different contracts. In terms of the associated commodity risk, see Note 27 Financial instruments for further information.

The control of goods passes when title for the goods passes to the customer as determined by the contractual sales terms based on the International Commercial Terms ("Incoterms"). The sales are typically made under CIF ("Cost Insurance and Freight"), CFR ("Cost and Freight"), DAP ("Delivery At Place") and FOB ("Free on Board") terms.

Under DAP Incoterms, revenue is recognised when goods arrive at the agreed destination or at the border crossing, whereas under the other above-mentioned terms the title passes on the date of the bill of lading. If the sales agreement allows for adjustment of the sales prices based on survey of the goods by the customer (e.g. ore content) the revenue is recognised based on the most recent determined product specification.

The Group enters into long-term contracts with some of its customers, which become subject to either renewal or extension when about to expire. As the performance obligations under the old contracts are not affected by the renewal or extension, the new modified contracts are accounted for as separate contracts.

The Group has no unsatisfied or partially unsatisfied performance obligations relating to contracts with customers with original expected duration of more than one year. The Group has therefore taken advantage of the practical expedient provided in IFRS 15 and need not disclose the transaction price allocated to the remaining performance obligations.

Freight services related to sales of pellets and concentrate

For CIF and CFR contracts the Group must contract for and pay the freight necessary to bring the goods to the named port of destination. Consequently, the freight services under CIF and CFR Incoterms meet the criteria of a separate performance obligation and the corresponding revenue is shown separate from the revenue from sales of iron ore pellets and concentrate.

Freight revenue is recognised over time, as the obligation to perform freight services is fulfilled, along with the associated costs.

For the separate presentation of the freight revenue as required under IFRS 15 *Revenue from contracts with customers*, the Group measures freight revenue based on the average freight rates of the relevant pricing period for specific shipments as outlined in the contracts with its customers. In case the relevant pricing period is after the end of the reporting period (normally within 60 days), revenue is measured based on forward freight rates at the reporting date.

Actual freight costs recognised for specific shipments might differ from the presented freight revenue due to movements in market rates between the timing of fixture of vessels and the relevant pricing periods outlined in the contracts with customers.

Logistic services

Revenue from logistic services rendered is measured at the transaction price contractually agreed between the parties based on applicable market rates for the specific freight services to be provided. The timing of satisfaction of the performance obligation is over time as services are completed. Where services are invoiced in advance of discharge, amounts attributable to the time between the end of the reporting period and the discharge date are deferred as contract liabilities.

Other sales

Other sales and services provided include predominantly the revenue generated from the sale of other materials and repair and maintenance works provided to third parties. The revenues are recognised when the title passes for material sold or services provided are completed.

Revenue for the year ended 31 December 2025 consisted of the following:

US\$000	Year ended 31.12.25	Year ended 31.12.24
Revenue from sales of iron ore pellets and concentrate	664,774	831,807
Freight revenue related to sales of iron ore pellets and concentrate	77,064	49,691
Total revenue from sale of iron ore pellets and concentrate	741,838	881,498
Revenue from logistics and bunker business	40,650	46,139
Revenue from other sales and services provided	4,836	5,626
Total revenue	787,324	933,263

The Group's sales of iron ore pellets and concentrate were still significantly below pre-war levels because of the ongoing war in Ukraine as was also the case for the comparative year 2024. The Group's seaborne sales continued to benefit from the availability of the Ukrainian Black Sea ports, which had been closed at the beginning of the war, but were reopened again during the financial year 2024. The Group's sales in 2025 were also affected by the suspension of VAT refunds in Ukraine, which required the downscaling of the Group's operation in Ukraine to minimise the impact on the Group's liquidity. See Note 20 Other taxes recoverable and payable for further information.

NOTE 6: REVENUE CONTINUED

As at 31 December 2025, freight-related revenue in the amount of US\$2,172 thousand (2024: US\$4,436 thousand) was deferred because the related performance obligations had not yet been fulfilled, of which US\$977 thousand (2024: US\$2,799 thousand) are related to the revenue from sales of iron ore pellets and concentrate and US\$1,195 thousand (2024: US\$1,637 thousand) from the logistics business. The total amount is included in the balance of the contract liabilities. Revenue recognised for the year ended 31 December 2025 includes US\$4,436 thousand (2024: nil) that had been included in the opening balance of contract liabilities as at 1 January 2025, for which the related performance obligations were fulfilled during the financial year 2025. There was no such effect during the comparative year ended 31 December 2024 in respect of the revenue from sales of iron ore pellets and concentrate as there were no contract liabilities as at 1 January 2024 due to the absence of not completed sales under the Incoterm CFR as at 31 December 2023 and US\$1,915 thousand related to revenue from the logistics business. See Note 24 Accrued and contract liabilities for further information.

Information on the commodity risk related to provisionally priced sales are provided in Note 27 Financial instruments.

Total sales of iron ore pellets and concentrate by geographical destination showing separately countries that individually represented 10% or more of total sales in either the current or prior year were as follows:

US\$000	Year ended 31.12.25	Year ended 31.12.24
Europe, including Turkey	354,732	668,425
<i>Austria</i>	168,494	237,092
<i>Czech Republic</i>	99,578	97,612
<i>Turkey</i>	29,614	123,615
<i>Germany</i>	18,599	127,500
<i>Others</i>	38,446	82,606
China & South East Asia	363,666	148,363
<i>China</i>	357,386	138,551
<i>Others</i>	6,280	9,812
Middle East & North Africa	23,440	64,710
Total revenue from sale of iron ore pellets and concentrate	741,838	881,498

The Group markets its products across various regions. The disclosure of the segmentation reflects how the Group makes its business decisions and monitors its sales. Information about the composition of the regions is provided in the Glossary on pages 268 to 270.

Sales to customers that individually represented 10% or more of total sales in either current or prior year accounted for 73% of the revenue from sales of iron ore pellets and concentrate (2024: 67%), and are as follows:

US\$000	Year ended 31.12.25	Year ended 31.12.24
Customer A	168,494	237,092
Customer B	153,726	–
Customer C	99,578	97,612
Customer D	74,873	39,976
Customer E	29,614	123,615
Customer F	18,599	92,354

Considering the constraints imposed by the ongoing war, the Group has not been able to fulfil the demands from all its customers since the beginning of the war in Ukraine in February 2022, and sales volumes were therefore allocated to markets and customers based on logistics and market considerations. Relationships with long-standing customers are maintained and the Group expects to be able to meet their demand again as soon as the geopolitical situation in Ukraine improves.

NOTE 7: OPERATING EXPENSES

ACCOUNTING POLICY

Operating expenses arise in the course of the ordinary activities of the Group and are recognised in the consolidated income statement when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Expenses are recognised in the consolidated income statement on the basis of a direct association between costs incurred and specific items of income. When economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined, expenses are systematically allocated to the accounting period in which the economic benefits are expected to arise.

Royalties are outflows of resources embodying economic benefits and imposed by governments on entities, in accordance with legislation.

The obligating event that gives rise to a liability to pay royalties is the activity, identified by the legislation, that triggers the payment of royalties. The liability to pay royalties is recognised as the obligating event occurs. Mining royalties payable are presented within operating expenses.

NOTE 7: OPERATING EXPENSES CONTINUED

Operating expenses for the year ended 31 December 2025 consisted of the following:

US\$000	Year ended 31.12.25	Year ended 31.12.24
Cost of sales	504,214	597,438
Selling and distribution expenses	242,405	246,300
General and administrative expenses	59,287	68,974
Other operating expenses	39,336	19,862
Total operating expenses	845,242	932,574

Total operating expenses include:

US\$000	Year ended 31.12.25	Year ended 31.12.24
Inventories recognised as an expense upon sale of goods	475,471	566,526
Employee costs (excluding logistics and bunker business)	76,192	85,435
Change in inventories of finished goods	36,097	4,961
Depreciation of property, plant and equipment and right-of-use assets	67,636	59,392
Amortisation of intangible assets	770	889
Royalties	26,093	32,187
Costs of logistics and bunker business	44,167	54,991
Professional fees (including legal fees)	13,104	17,676
Audit and non-audit services	2,348	2,239
Community support donations	1,463	4,319
Impairment loss/(reversal) on financial assets	5,598	(1,731)
(Gains)/losses on disposal and liquidation of property, plant and equipment	(572)	231

Write-offs and impairments include:

US\$000	Notes	Year ended 31.12.25	Year ended 31.12.24
Write-offs of inventories		1,278	81
Write-offs of property, plant and equipment	13	5,335	155
Total write-offs		6,613	236
Impairment of property, plant and equipment	13	154,323	71,635
Total impairments		154,323	71,635
Total write-offs and impairments		160,936	71,871

AUDITOR REMUNERATION

US\$000	Year ended 31.12.25	Year ended 31.12.24
Audit services		
Ferrexpo plc Annual Report and Accounts	1,594	1,464
Subsidiary entities	352	328
Total audit services	1,946	1,792
Audit-related assurance services	402	309
Total audit and audit-related assurance services	2,348	2,101
Non-audit services		
Other services	–	138
Total non-audit services	–	138
Total auditor remuneration	2,348	2,239

Auditor remuneration paid is in respect of the audit of the financial statements of the Group and its subsidiary entities and, when applicable, for the provision of other services not in connection with the audit.

NOTE 8: OTHER INCOME

ACCOUNTING POLICY

Other income mainly includes lease income generated from rail cars, mining equipment and premises, and the proceeds from the sale of spare parts, scrap metal and fuel, and compensation received from insurance companies. Lease income is recognised based on the underlying contractual basis over the term of the lease. Other income from the sale of consumable materials is recognised as revenue when the title passes.

NOTE 8: OTHER INCOME CONTINUED

Other income for the year ended 31 December 2025 consisted of the following:

US\$000	Year ended 31.12.25	Year ended 31.12.24
Income on sale of current assets	1,021	2,566
Compensation from insurances	814	1,286
Lease income	886	837
Other income	862	786
Total other income	3,583	5,475

NOTE 9: FOREIGN EXCHANGE GAINS AND LOSSES**ACCOUNTING POLICY**

Foreign exchange gains and losses are reported on a net basis. Operating foreign exchange gains and losses are those resulting directly from the Group's operating activities. Non-operating gains and losses are predominantly those associated with the Group's financing and treasury activities, including the transactional gains and losses from the conversion of cash balances in currencies different from the local functional currencies at exchange rates different from those at the initial recognition date.

Foreign exchange gains and losses for the year ended 31 December 2025 consisted of the following:

US\$000	Year ended 31.12.25	Year ended 31.12.24
Operating foreign exchange gains/(losses)		
Conversion of trade receivables	5,038	83,588
Conversion of trade payables	(481)	(283)
Others	412	16
Total operating foreign exchange gains	4,969	83,321
Non-operating foreign exchange gains/(losses)		
Conversion of interest-bearing loans	1,630	(37,591)
Conversion of cash and cash equivalents	(291)	673
Others	(988)	(2,437)
Total non-operating foreign exchange gains/(losses)	351	(39,355)
Net foreign exchange gains	5,320	43,966

Operating foreign exchange gains and losses are those items that are directly related to the production and sale of pellets (e.g. trade receivables, trade payables on operating expenditure) whereas non-operating gains and losses are those associated with the Group's financing and treasury activities and with local income tax payables.

The translation differences and foreign exchange gains and losses are predominantly dependent on the fluctuation of the exchange rate of the Ukrainian hryvnia against the US dollar and the outstanding US dollar denominated receivable balances in Ukraine. A devaluation of the local currency generally has a positive effect on the Group's production costs and results in operating foreign exchange gains on the conversion of the Ukrainian subsidiaries' trade receivables denominated in US dollar. The effect arising on the translation of non-US dollar functional currency operations, mainly in Ukrainian hryvnia, is included in the translation reserve. See Note 31 Share capital and reserves for further details.

The Ukrainian hryvnia devalued marginally from 42.039 to 42.388 compared to the US dollar during the year ended 31 December 2025. A devaluation of the local currency can result in significant foreign exchange gains on US dollar denominated receivable balances, depending on the underlying net balances, and a reduction of the Group's net assets as a significant portion of assets and liabilities of the Ukrainian subsidiaries are denominated in the local currency, with an opposite effect in the case of an appreciation of the local currency in Ukraine.

The table below shows the closing and average rates of the most relevant currencies of the Group compared to the US dollar.

	Average exchange rate		Closing exchange rate	
	Year ended 31.12.25	Year ended 31.12.24	As at 31.12.25	As at 31.12.24
Against US\$				
UAH	41.689	40.152	42.388	42.039
EUR	0.887	0.924	0.852	0.963

NOTE 10: NET FINANCE EXPENSE**ACCOUNTING POLICY****Finance expense**

Finance expense is expensed as incurred with the exception of interest on loans and borrowings measured at amortised cost, which is recognised in the consolidated income statement using the effective interest method. Finance expense includes interest on defined benefit plans.

Borrowing costs incurred in respect of the financing of construction or production of a qualifying asset are capitalised up to the date when the asset is ready for its intended use. See also Note 13 Property, plant and equipment for further details.

NOTE 10: NET FINANCE EXPENSE CONTINUED

Finance income

Finance income comprises interest income on funds invested and the effect of unwinding discounts recorded in previous years. Interest income is recognised as it accrues using the effective interest method.

Finance expense and income for the year ended 31 December 2025 consisted of the following:

US\$000	Notes	Year ended 31.12.25	Year ended 31.12.24
Finance expense			
Net interest on defined benefit plans	22	(3,384)	(2,432)
Bank charges		(611)	(1,304)
Interest expense on lease liabilities		(230)	(191)
Other finance costs		(661)	(1,052)
Total finance expense		(4,886)	(4,979)
Finance income			
Interest income on bank deposits		1,754	3,979
Other finance income		–	7
Total finance income		1,754	3,986
Net finance expense		(3,132)	(993)

With the exception of lease liabilities, the Group does not have any outstanding interest-bearing loans and borrowings, and no borrowing costs are therefore capitalised.

NOTE 11: TAXATION

ACCOUNTING POLICY

Current income tax

Current income taxes are computed based on enacted or substantively enacted local tax rates and laws at the reporting date and the expected taxable income of the entities of the Group for the respective period.

Current income taxes are recognised as an expense or income in the consolidated income statement unless related to items directly recognised in other comprehensive income or equity or if related to the initial accounting for a business combination.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognised for taxable temporary differences that will become taxable. Deferred tax assets are generally recognised for deductible temporary differences, carry forwards of available unused tax credits and tax losses, and to the extent that it is more likely than not that they will be recovered in a future period against taxable profit.

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

No deferred assets or liabilities are recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction, other than in a business combination, which affects neither the accounting profit nor taxable profit or loss.

Deferred tax liabilities are recognised in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets in relation to temporary differences on such investments and interests are recognised to the extent that it is probable that there are sufficient taxable profits available against which the benefits of the temporary differences can be utilised and that they are expected to reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred income tax assets to be utilised. Additionally, unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Income tax effects on items directly recognised in other comprehensive income or equity are also recognised in other comprehensive income or equity, respectively.

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

In terms of BEPS Pillar Two, the Group makes use of the temporary exception issued by the IASB in May 2023 in respect of the accounting requirements for deferred taxes under IAS 12. As a result, the Group neither recognises nor discloses any information on deferred tax assets and liabilities related to Pillar Two income taxes in its consolidated financial statements for the financial year 2025, which is consistent with the application during the comparative financial year 2024.

NOTE 11: TAXATION CONTINUED**CRITICAL JUDGEMENTS****Tax legislation**

The Group operates across a number of jurisdictions through its value chain and prices its sales between its subsidiaries using international benchmark prices for comparable products covering product quality and applicable freight costs. Despite two claims received in Ukraine in 2023, the Group is still of the opinion that the terms of the cross-border transactions between the subsidiaries of the Group comply with the legislation applicable in the jurisdictions in which it operates.

In connection with two audits initiated by the State Tax Service of Ukraine (“STS”), formerly known as State Fiscal Service of Ukraine (“SFS”), on 18 February and on 14 June 2021, the Group’s two major subsidiaries in Ukraine received tax audit reports on 13 September 2023 and 8 November 2023, stating potential claims for underpayment of corporate profit taxes in Ukraine of UAH2,162 million (US\$51,005 thousand as at 31 December 2025), including fines and penalties, and UAH259 million (US\$6,110 thousand as at 31 December 2025), respectively.

The two claims received are in relation to cross-border transactions for iron ore pellets and concentrate between the two Ukrainian subsidiaries of the Group and two subsidiaries of the Group outside of Ukraine during the financial years 2015 to 2017. Based on previous experience, no agreements could be reached with the tax authorities and the claims are to be heard by the courts in Ukraine. As a result, both subsidiaries filed the objections against the potential claims stated in the tax audit reports received. After various preparatory meetings in 2024 for both cases, several hearings on the merits before the court of first instance took place in 2024 and in 2025. The hearings are still ongoing and, as a result, no final decisions have been made for the claims received as at the date of the approval of these consolidated financial statements.

A partially negative verdict of the Supreme Court was received by one of the Group’s subsidiaries in respect of claims made by the STS as a result of a tax audit of cross-border transactions for the period from 1 September 2013 to 31 December 2015. It is the Group’s position that the STS used the verdict of the Supreme Court on the claims for the period from 1 September 2013 to 31 December 2015 as a precedent for the claims made for cross-border transactions during the financial years 2015 to 2017, although the Supreme Court did not appropriately consider relevant technical grounds and the applicable legislation when ruling on this specific case.

In terms of the claims received, the Group will continue to defend its methodology applied to determine the prices between its subsidiaries in the Ukrainian courts, but there is a risk that the independence of the judicial system and its immunity from economic and political influences in Ukraine is not upheld. Negative decisions by the court of appeal, after positive or negative decisions of the court of first instance, is likely to have a significant impact on the Group’s future cash flow generation and available cash balance and, as a consequence, on the Group’s ability to continue as a going concern, as the decision will become a legal obligation. As at the date of the approval of these consolidated financial statements, no final court decisions have been made for the above-mentioned claims received by the two Ukrainian subsidiaries of the Group and, as a consequence, no specific provisions have been recorded as at 31 December 2025, neither for the claims received nor for any subsequent years, which might also be material, as it is impossible to reasonably quantify the potential exposure. See Note 30 Commitments, contingencies and legal disputes for further information.

Separate from the cases mentioned earlier, on 23 June 2020 Ferrexpo Poltava Mining (“FPM”) received a court ruling which grants access to information and documents to the State Bureau of Investigation in Ukraine (“SBI”) in relation to the sale of iron ore pellets and concentrate to two subsidiaries of the Group outside of Ukraine during the years 2013 to 2019. FPM cooperated with the SBI and provided the requested information as per the court ruling to support these investigations. On 20 October 2023, the SBI raided the FPM offices with the intention of collecting documents and information for ongoing transfer pricing investigations. In October 2024, FPM became aware of a new transfer pricing investigation by the SBI in connection with the financial years 2014 to 2017. There had been no actions or any new requests from the SBI as at the date of the approval of these consolidated financial statements.

In accordance with the provisions of IFRIC 23 *Uncertainty over income tax treatments*, the Group reviewed and reassessed its exposure in respect of all uncertain tax positions, including the claims received and for cross-border transactions in subsequent years. It is the position of the management of the Group and the Group’s external tax advisors that the Ukrainian legislation and regulations on taxation are not always clearly written and are therefore subject to varying interpretations and inconsistent enforcement by local, regional and national tax authorities.

Considering the uncertainties in terms of the legal and tax framework in Ukraine, the Group will continue to defend its pricing methodology applied during all the years in the courts in Ukraine. The transfer pricing testing method has been changed by the Group’s Ukrainian subsidiaries in 2025 for the previous years as the Transactional Net Margin Method (“TNMM”), based on advice from local transfer pricing experts, appears to better support the defence strategy in the courts. An unfavourable outcome of any future court proceedings would have an adverse impact on the Group’s total income tax expense and effective tax rate in future periods. See also the Principal Risks section for further information on the Ukraine country risk.

Except for the matters in Ukraine mentioned above, the Group is not aware of any other significant challenges by local tax authorities in any jurisdictions in which the Group operates. However, the application of international and local tax legislation and regulations can be complex and requires judgement to assess possible associated risks, particularly in relation to the Group’s cross-border operations and transactions.

The income tax expense for the year ended 31 December 2025 consisted of the following:

US\$000	Year ended 31.12.25	Year ended 31.12.24
Current income tax		
Current income tax charge	4,494	18,784
Global minimum top-up tax	978	–
Amounts related to previous years	3,661	2,374
Total current income tax	9,133	21,158
Deferred income tax		
Origination and reversal of temporary differences	2,202	8,452
Total deferred income tax	2,202	8,452
Total income tax expense	11,335	29,610

NOTE 11: TAXATION CONTINUED

Tax effects on items recognised in other comprehensive income consisted of the following for the year ended 31 December 2025:

US\$000	Notes	Year ended 31.12.25	Year ended 31.12.24
Tax effect of exchange differences arising on translating foreign operations	31	(320)	(3,972)
Total income tax effects recognised in other comprehensive credit		(320)	(3,972)

The weighted average statutory corporate income tax rate is calculated as the average of the statutory tax rates applicable in the countries in which the Group operates, weighted by the profits and losses before tax of the subsidiaries in the respective countries, as included in the consolidated financial information. The weighted average statutory corporate income tax rate for the financial year 2025 was 19.1% before any exceptional items included in the profit before tax for the period and income tax expense in the consolidated income statement (2024: 15.0% before tax for the period and income tax expense). The reconciliation between the income tax charged in the accompanying financial information and income before taxes multiplied by the weighted average statutory tax rate for the year ended 31 December 2025 is as follows:

US\$000	Year ended 31.12.25	Year ended 31.12.24
Loss before tax	(212,597)	(20,420)
Notional tax credit computed at the weighted average statutory tax rate of 19.1% (2024: 15.0%)	(40,597)	(3,070)
Derecognition of deferred tax assets ¹	8,554	7,344
Expenses not deductible for local tax purposes ²	3,722	3,014
Income exempted for local tax purposes ³	–	(941)
Effect from non-recognition of deferred taxes ⁴	26,195	18,497
Effect from utilisation of non-recognised deferred tax assets ⁵	(7,091)	–
Effect from non-recognition of deferred taxes on current year losses ⁶	13,945	1,911
Effect of different tax rates ⁷	–	(1,487)
Withholding tax on interest ⁸	931	1,528
Prior year adjustments to current tax ⁹	3,661	2,374
Effect from share of profit from associates ¹⁰	(87)	(416)
Effect from global minimum top-up tax ¹¹	978	–
Other (including translation differences)	1,124	856
Total income tax expense	11,335	29,610

- Effect in 2025 includes the effect from recognition of full allowances on deferred tax assets and liabilities recognised by two of the Group's subsidiaries in Ukraine as a result of uncertainties when the subsidiaries could become profitable again. Effect in 2024 was also related to the ongoing war as it was uncertain at this point of time if and when some of the temporary differences are expected to unwind.
- Effects predominantly relate to expenses not deductible in Ukraine. This effect is expected to be of a recurring nature as a portion of operating expenses in Ukraine is historically not deductible for tax purposes according to the enacted local tax legislation.
- Effects in 2024 relate to income expected to be tax exempted in the United Kingdom as primarily related to the adoption of IFRS 9. This effect is considered to be of a recurring nature.
- Effects in 2025 relate to an impairment loss of US\$154,323 thousand (2024: US\$71,635 thousand) and the different treatment of low-grade ore in the amount of US\$15,489 thousand (2024: US\$36,317 thousand) in the consolidated financial statements and the local statutory accounts of one of the Group's subsidiaries in Ukraine. The effects are potentially of a recurring nature. In the case that the situation in Ukraine will significantly improve, there is a chance that recorded impairment losses will reverse in a future period. Such potential positive effects are expected to be tax exempted.
- Effect in 2025 relates to deferred taxes not recognised on prior year losses of the corporate entities in Switzerland. This effect is expected to be of a non-recurring nature.
- Effects in 2025 and 2024 relate mainly to subsidiaries in Ukraine. Due to the uncertainty in respect of the point of time when subsidiaries become profitable for local tax purposes again, no deferred tax assets have been recognised. Profitability of Ukrainian subsidiaries is affected by the ongoing war and effect could be of a recurring nature.
- Effect in 2024 relates to the different tax rates applying to different income streams in Swiss subsidiaries as a result of their specific tax status and to those caused by the difference between the local statutory tax rates and the notional tax rate applied for the tax rate reconciliation, mainly in respect of the significant effects in Ukraine. The effects are of a recurring nature.
- Effects in 2025 and 2024 relates to effects of interest paid by subsidiaries in Ukraine, which are subject to withholding tax. Potential effect in future years depends on the level of interest payments made.
- Effect in 2025 relates to charges related to the Ukrainian subsidiaries, net of a tax credit in Switzerland. Effect in 2024 primarily relates to additional tax charges in Switzerland. Similar effects, irrespective of the jurisdiction, can also occur in future years.
- Share of loss or profit from associates is generally recognised net of taxes of the associates. This effect is of a recurring nature.
- Effect in 2025 from top-up tax in connection to QDMTT in Switzerland and the U.A.E.

The Group operates across a number of jurisdictions and its effective tax rate is subject to various factors outside of the Group's control. This includes the volatility in the global iron ore pellet and concentrate market and foreign exchange rate movements, primarily between the Ukrainian hryvnia and the US dollar. The effective tax rate for the financial year 2025 is affected by the additional impairment loss of US\$154,323 thousand on the Group's non-current operating assets, which is primarily to be allocated to the Group's operations in Ukraine, and the effect from extracted low grade ore totalling US\$15,489 thousand, which are both not tax deductible in Ukraine. As a consequence, there is no deferred tax effect recognised in respect of the impairment loss recorded as it was done in the past on previously recorded impairment losses. The Group is also in a loss position before the significant impairment loss recorded during the financial year 2025, and no deferred tax assets have been recognised on the resulting tax losses carried forwards as it is currently uncertain whether the Group's subsidiaries in the various jurisdictions will be able to benefit from them in the near future.

The effective tax rate of the financial year 2025 was 37.7% with an opposite sign, compared to 33.7% for the financial year 2024, both after the elimination of the exceptional effects mentioned above. Without excluding these effects, the effective tax rate would have been 5.3% for the financial year 2025 and 145.0% for the financial year 2024, both with an opposite sign driven by the losses before taxes.

NOTE 11: TAXATION CONTINUED

The net balance of income tax payable changed as follows during the financial year 2025:

US\$000	Year ended 31.12.25	Year ended 31.12.24
Opening balance	(6,535)	(12,770)
Charge in the consolidated income statement	(9,133)	(21,158)
Booked through other comprehensive (loss)/income	320	3,972
Tax paid	2,692	23,278
Translation differences	(239)	143
Closing balance	(12,895)	(6,535)

The net income tax payable as at 31 December 2025 consisted of the following:

US\$000	As at 31.12.25	As at 31.12.24
Income tax receivable balance	7,888	7,026
Income tax payable balance	(19,805)	(13,561)
Global minimum top-up tax payable	(978)	–
Closing balance	(12,895)	(6,535)

Temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes and the recognition of available tax loss carry forwards result in the following deferred income tax assets and liabilities at 31 December 2025:

US\$000	Consolidated statement of financial position		Consolidated income statement	
	As at 31.12.25	As at 31.12.24	Year ended 31.12.25	Year ended 31.12.24
Property, plant and equipment	–	235	(592)	(5,740)
Intangible assets	–	168	(166)	(1,883)
Inventories	–	173	(172)	(416)
Trade and other receivables	–	1,423	(1,405)	(199)
Defined benefit pension liability	798	863	(67)	255
Other	–	454	(426)	117
Tax losses recognised	144	207	(63)	(55)
Total deferred tax assets/change	942	3,523	(2,891)	(7,921)
Thereof netted against deferred tax liabilities	(926)	(1,264)	–	–
Total deferred tax assets as per the statement of financial position/ change	16	2,259	(2,891)	(7,921)
Property, plant and equipment	(501)	191	(352)	334
Intangible assets	–	(465)	461	(91)
Financial assets	(4,096)	(4,186)	88	(59)
Inventories	–	(515)	509	(519)
Pension assets	(652)	(636)	(17)	(196)
Total deferred tax liabilities/change	(5,249)	(5,611)	689	(531)
Thereof netted against deferred tax assets	926	1,264	–	–
Total deferred tax liabilities as per the statement of financial position/ change	(4,323)	(4,347)	689	(531)
Net deferred tax liabilities/net change	(4,307)	(2,088)	(2,202)	(8,452)

The movement in the deferred income tax balance is as follows:

US\$000	Year ended 31.12.25	Year ended 31.12.24
Opening balance	(2,088)	7,421
Charge in consolidated income statement	(2,202)	(8,452)
Translation differences	(17)	(1,057)
Closing balance	(4,307)	(2,088)

Following the recognition of full allowances on the deferred tax asset and liabilities recognised by the Group's Ukrainian subsidiaries, the net deferred tax liability balance of US\$4,307 thousand as at 31 December 2025 is predominantly attributable to the Group's corporate entities. As at the end of the comparative year ended 31 December 2024, the net deferred tax asset balance of US\$2,088 thousand was net of a deferred tax asset balance of 1,799 thousand related to the Group's two major subsidiaries in Ukraine.

NOTE 11: TAXATION CONTINUED

Full allowances have been recognised as at 31 December 2025 on the deferred tax asset and liability balances of the Ukrainian subsidiaries due to the uncertainty when the subsidiaries will become profitable again, also because of the ongoing war in Ukraine and the reduced operating activities of these subsidiaries as a result of the suspended VAT refunds in Ukraine. The balance of recognised allowances related to the Ukrainian subsidiaries totalled US\$32,228 thousand and US\$19,798 thousand as at 31 December 2025 and 2024, respectively. The recoverability of the deferred tax assets depends on the level of taxable profits realised by the two subsidiaries in future periods, which is also relevant for the assessment of the duration of the unwind of the temporary differences. Considering the material uncertainty in terms of the Group's going concern, the relevant period for the recovery of the recognised net balance of deferred tax assets had to be aligned to the period of the going concern assessment.

The table below provides details on the not recognised available tax loss carry forwards:

US\$000	Year ended 31.12.25	Year ended 31.12.24
Do not expire	46,385	41,266
Expire within less than seven years	41,986	14,665
Expire after seven years	29,434	27,981
Total available tax loss carry forwards	117,805	83,912
<i>Thereof in Austria</i>	<i>45,175</i>	40,004
<i>Thereof in Ukraine</i>	<i>30,642</i>	29,241
<i>Thereof in Hungary</i>	<i>28,108</i>	14,667
<i>Thereof in Switzerland</i>	<i>13,880</i>	–

No deferred tax liabilities have been recognised on temporary differences in the amount of US\$516,241 thousand (2024: US\$315,170 thousand) arising from undistributed profits from subsidiaries as no distributions are planned.

The table below provides details on the amounts of temporary differences where deferred tax assets are not recognised:

US\$000	As at 31.12.25	As at 31.12.24
Impairment losses on non-current operating assets	381,976	232,239
Provision for legal disputes	114,741	115,694
Allowances on recognised temporary differences	179,045	109,989
Lean ore treatment	205,419	191,765
Allowances on VAT receivable balances	13,311	–
Total temporary differences not recognised	894,492	649,687

The not recognised temporary differences are predominantly related to the Group's business operations in Ukraine and are translated based on the closing rate at the end of the financial year.

BEPS – Pillar Two

The Group is in the scope of the BEPS Pillar Two Model Rules as the consolidated revenues for the financial years 2024, 2022 and 2021 were above the threshold set by the OECD rules. The Group neither recognises nor discloses any information on deferred tax assets and liabilities related to Pillar Two income taxes in its consolidated financial statements for the financial year 2025, which is consistent with the application during the comparative financial year 2024.

Based on the BEPS Pillar Two Global Anti-Base Erosion ("GloBE") Model Rules, the parent company of the Group, Ferrexpo plc, is the Ultimate Parent Entity ("UPE"). Ferrexpo plc is incorporated and domiciled in England and Wales, with its tax domicile in Switzerland. As a result, the enacted legislation in Switzerland is most relevant for the Group. On 22 December 2023, the Swiss government enacted the Pillar Two income taxes legislation, which came into force on 1 January 2024 and provided for the Qualifying Domestic Minimum Top-up Tax ("QDMTT"). On 4 September 2024, the Swiss government decided to implement the Income Inclusion Rule ("IIR") as at 1 January 2025, whereas the implementation of the Undertaxed Profits Rule ("UTPR") is still postponed.

Although the Group's effective tax rate for the financial year 2025 is well above the minimum tax rate of 15.0%, there are two jurisdictions in which the Group is operating with enacted statutory tax rates below the minimum tax rate of 15.0% set under the BEPS Pillar Two Model Rules. The profits of the Group's subsidiaries in Switzerland and the U.A.E. are subject to the QDMTT for taxable profits from the financial year 2025 as these jurisdictions did not pass the Transitional CbCR Safe Harbour ("TCSH") test.

There was no significant impact from the QDMTT, the IIR and the UTPR under the BEPS Pillar Two GloBE Model Rules on the Group's income tax expense and therefore did not have an impact on the Group's effective tax rate as at 31 December 2025. The total effect from top-up tax within the Group amounts to US\$978 thousand in connection to QDMTT in Switzerland and the U.A.E.

Taking also into account the implementation of the QDMTT in Switzerland and in the U.A.E. and the IIR in Switzerland, the Group's future effective tax rate, before any exceptional items included in the profit before tax for the period and the income tax expense, is expected to be in a range of 18.0% to 20.0%. The Group's effective tax rate is also dependent on the volatility in the global iron ore pellet and concentrate market and on foreign exchange rate movements, primarily between the Ukrainian hryvnia and the US dollar, and any one-off events, such as impairment losses that might not be tax deductible in some jurisdictions. As mentioned above, the Group has had exceptional items in the past that had a significant impact on the Group's effective tax rate.

NOTE 12: EARNINGS PER SHARE AND DIVIDENDS PAID AND PROPOSED**ACCOUNTING POLICY****Basic number of Ordinary Shares outstanding**

The basic number of Ordinary Shares is calculated by reducing the total number of Ordinary Shares in issue by the weighted average of shares held in treasury and employee benefit trust reserve. The basic earnings per share ("EPS") are calculated by dividing the net profit or loss for the year attributable to ordinary equity shareholders of Ferrexpo plc by the weighted average number of Ordinary Shares.

Dilutive potential Ordinary Shares

The dilutive potential Ordinary Shares outstanding are calculated by adjusting the weighted average number of Ordinary Shares in issue on the assumption of conversion of all potentially dilutive Ordinary Shares. All share awards that are potentially dilutive are considered in the calculation of diluted earnings per share. In the case of a loss per share, there is no dilutive effect, and the basic and diluted loss per share are identical.

Distributable reserves

Ferrexpo plc (the "Company") is the Group's holding company, with no direct operating business, so its ability to make distributions to its shareholders is dependent on its ability to access profits held in the subsidiaries. The Group's consolidated retained earnings shown in the consolidated statement of changes in equity do not reflect the profits available for distribution in the Group as at 31 December 2025.

	Year ended 31.12.25	Year ended 31.12.24
Loss for the year attributable to equity shareholders – per share in US cents		
Basic	(38.06)	(8.51)
Diluted	(38.06)	(8.51)
Loss for the year attributable to equity shareholders – US\$000		
Basic and diluted loss	(223,911)	(50,046)
Weighted average number of shares – thousands		
Basic number of ordinary shares outstanding	588,385	588,363
Effect of dilutive potential ordinary shares	11,872	11,061
Diluted number of ordinary shares outstanding	600,257	599,424

DIVIDENDS PROPOSED AND PAID

In view of the continued unpredictable situation in Ukraine, no dividends were proposed for the year ended 31 December 2025 as at the date of the approval of these consolidated financial statements. Considering the provisions of the Companies Act 2006 and relevant thin capitalisation rules, the total available distributable reserves of Ferrexpo plc would be approximately US\$96,600 thousand as at 31 December 2025 (2024: US\$77,500 thousand).

Future distributable reserves at the Ferrexpo plc level are also dependent on the payment of dividends by the subsidiaries to the respective parent companies within the Group. Further to that, the distributable profits at subsidiaries' level are subject to potential impairment losses and provisions for legal disputes to be or already recorded in the respective stand-alone statutory financial statements as a result of uncertainties in Ukraine in connection with the ongoing war and legal disputes. Certain Group companies are currently restricted from paying dividends outside of Ukraine due to Ukrainian currency control measures imposed under martial law. Furthermore, the uncertainties related to the political environment and the independence of the legal system and other circumstances facing the Group (see Note 30 Commitments, contingencies and legal disputes) could also have a negative impact on Ferrexpo plc's ability and potential for future dividend payments. Further to that, an outflow of funds in connection with ongoing legal disputes would have an adverse impact on the Group's available cash balance for potential future dividend payments, despite a considerable amount of distributable profits of one of the Group's subsidiaries in Ukraine.

As disclosed in Note 2 Basis of preparation, a nationalisation of 49.5% of shares in Ferrexpo Poltava Mining ("FPM") or a transfer of 49.5% of the corporate rights in FPM to Ukraine's Asset Recovery and Management Agency ("ARMA") for management of these corporate rights will also have an impact on the equity attributable to the shareholders of Ferrexpo plc and its future distributable reserves.

US\$000	Year ended 31.12.25
Dividends paid during the year	
Dividends on vested 2022 LTIP awards	8
Total dividends paid during the year	8

US\$000	Year ended 31.12.24
Dividends paid during the year	
Dividends on vested 2021 LTIP awards	46
Total dividends paid during the year	46

Dividends paid during the financial years 2025 and 2024 related to the Group's share-based scheme. Further information is provided in the Remuneration Report.

Although accounts are published in US dollars and dividends are declared in US dollars, the shares are denominated in UK pounds sterling and dividends are therefore paid in UK pounds sterling.

NOTE 13: PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for qualifying assets (see below) if the recognition criteria are met. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Major spare parts, stand-by and servicing equipment qualify as property, plant and equipment when they are expected to be used during more than one period. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance and overhaul costs, are charged to the consolidated income statement in the period the costs are incurred unless it can be demonstrated that the expenditure results in future economic benefits, when the expenditure is capitalised as an additional cost.

Upon recognition, items of property, plant and equipment are divided into components, which represent items with a significant value that have different useful lives. Assets included in property, plant and equipment are depreciated over their estimated useful life taking into account their own physical life limitations and the present assessment of economically recoverable reserves of the mine property at which the assets are located. The remaining useful lives for major assets are reassessed on a regular basis, but at least annually. Mining assets are depreciated using the unit of production method. Changes in expected resources, which affect the unit of production calculations, are accounted for prospectively.

Except for mining assets, which are depreciated using the unit of production method, depreciation is calculated on a straight-line basis over the estimated useful life of the asset, as follows:

- Buildings: 20–50 years
- Vessels: 8–40 years
- Plant and equipment: 3–15 years
- Vehicles: 7–15 years
- Fixtures and fittings: 2.5–10 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the period the item is derecognised.

Assets in the course of construction are initially recognised in assets under construction. Assets under construction are not depreciated. On completion of the asset and when available for use, the cost of construction is transferred to the appropriate asset category in property, plant and equipment and depreciation commences.

Freehold land is not depreciated.

Deferred and capitalised stripping costs

Rock, soil and other waste materials are typically to be removed to access an ore body, which is known as stripping activity. Stripping work comprises overburden removal at pre-production, mine extension and production stages. Stripping costs are deferred and capitalised if related to gaining improved access to an identified component of an ore body to be mined in future periods. The capitalised amount is determined based on the volume of waste extracted, compared with expected ore volume in the identified component of the ore body.

Pre-production stripping costs incurred in the development of a component of a mine before commercial production commences are capitalised as part of assets under construction. After the commencement of commercial production, the respective capitalised pre-production stripping costs are transferred to mining assets and depreciated over the life of the respective component of the ore body on a unit of production (“UOP”) basis.

Production stripping costs are generally charged to the consolidated income statement as variable production costs unless these costs are related to gaining improved access to an identified component of the ore body to be mined in future periods. Such production stripping costs are capitalised within mining assets provided all the following conditions are met:

- it is probable that the future economic benefit associated with the stripping activity will be realised;
- the component of the ore body for which access has been improved can be identified; and
- the costs relating to the stripping activity associated with the improved access can be reliably measured.

Once the commercial production of the specific component of the ore body commences, the capitalised production stripping costs are depreciated on a UOP basis over the life of the respective identified component.

Mining assets

Any capitalised stripping activities, either of a pre-production or production nature, are reclassified to mining assets at the point of time when the extraction of the ore body of the specific component starts. Mining assets are depreciated using the UOP method based on the estimated economically recoverable reserves to which they relate.

Exploration and evaluation assets

Costs incurred in relation to the exploration and evaluation of potential iron ore deposits are capitalised and classified as tangible or intangible assets depending on the nature of the expenditures. Costs associated with exploratory drilling, researching and analysing of exploration data and costs of pre-feasibility studies are included in tangible assets whereas those associated with the acquisition of licences are included in intangible assets.

Capitalised exploration and evaluation expenditures are carried forward as an asset as long as these costs are expected to be recouped in full through successful development and exploration in a future period.

Exploration and evaluation assets are measured at cost and are neither amortised nor depreciated but monitored for indications of impairment. To the extent that the capitalised expenditures are not expected to be recouped, the excess is fully provided for in the financial year in which this is determined.

NOTE 13: PROPERTY, PLANT AND EQUIPMENT CONTINUED

Upon reaching the development stage, exploration and evaluation assets are either transferred to assets under construction or other intangible assets, if those costs were associated with the acquisition of licences.

Borrowing costs

Borrowing costs 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 ("qualifying asset") are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of the funds. In the case of general borrowings used to fund the acquisition or construction of a qualifying asset, the borrowing costs to be capitalised are calculated based on a weighted average interest rate applicable to the relevant general borrowings of the Group during a specific period.

Impairment testing

Property, plant and equipment is considered to be part of the Group's non-current operating assets, which are tested for impairment as a single cash-generating unit ("CGU"). The Group assesses at each reporting date whether the carrying value of its non-current operating assets is exceeding its recoverable amount or previously recognised impairment losses may no longer exist or may need to be partially reversed. The Group determines the recoverable amount of its non-current operating assets in accordance with IAS 36 *Impairment of Assets*, which is the higher of value in use ("ViU") and the fair value less cost of disposal ("FVLCD").

Historically, the Group determined the recoverable amount of its non-current operating assets as the ViU. Furthermore, under the current circumstances, due to the ongoing war in Ukraine, the observable market data required for a reliable determination of the FVLCD is limited.

The ViU is predominantly dependent on forecast cash flow generation based on management's best estimates of future key assumptions, including the nominal pre-tax discount rate, which require management to make significant estimates and judgements.

A previously recognised impairment loss is reversed only if the recoverable amount exceeds the carrying value of the Group's non-current operating assets, potentially resulting from a positive change in significant estimates and judgements. In this case, the carrying value of the asset is increased to its recoverable amount but not exceeding the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated income statement and the basis for future depreciation is adjusted accordingly.

CRITICAL ESTIMATES AND JUDGEMENTS

The most critical accounting estimates are in relation to key assumptions used for the preparation of the Group's financial long-term model, such as the expected future prices for iron ore products and for key input materials as well as possible production and sales volumes, taking also into account the current circumstances the Group has to operate in, including available logistics routes. Further to the critical estimates, the preparation of the Group's financial long-term model required also some critical judgements from management in respect of the timing of when the Group's operation is expected to return to pre-war levels and when VAT refunds in Ukraine will resume again. The critical estimates and judgements do have a significant impact on the computation of the value in use of the Group's non-current assets and, as a consequence, on the outcome of the Group's impairment test. See Note 2 Basis of preparation for further information on matters affecting the Group's financial long-term model.

The Group's impairment test is based on cash flow projections over the remaining estimated lives of the GPL and the Yerystivske deposits, which are expected to expire in 2058 and 2048, respectively, according to the current approved mine plans. The cash flow projection is based on a financial long-term model approved by senior management and the effects of expected future mine life extension programmes are not taken into account in the estimated future production volumes. As in the past, the several critical estimates and judgements used when preparing the Group's financial long-term model are reviewed by the Audit Committee with specific consideration given to the realistically plausible production volumes in light of the current situation in the country, sales price and production cost forecasts as well as the discount rate used to discount the cash flows. The situation in Ukraine remains unpredictable and continues to require the Group to be extremely flexible, as mining operations, production and available logistics routes have to be adapted to the prevailing conditions. Following the suspension of VAT refunds in Ukraine, the Group had to adjust its production plan to mitigate working capital outflows and preserve cash, affecting also the Group's cash flow generation in future periods and resulting in a further delay of the ramp-up of its operation to pre-war levels. See Note 2 Basis of preparation and Note 35 Events after the reporting period for further details in respect of the suspended VAT.

In addition to ongoing legal actions taken by the Ukrainian government against the Group, including the effects of the personal sanctions on Mr Zhevago mentioned above, the Group's operation in Ukraine is still affected by the ongoing war in Ukraine. Following intensified attacks from Russia on port infrastructure and civil vessels in the Black Sea in July 2026, the logistics route via the ocean-going Black Sea ports in Ukraine is currently unavailable to the Group. As at the date of the approval of these consolidated financial statements, the war and the legal disputes in Ukraine are still ongoing and the duration and possible implications on the Group's operation are difficult to predict.

The financial long-term model is continuously updated, the last time in July 2026, using management's best estimate of reasonably conservative key assumptions, taking also into account the current circumstances the Group has to operate in, including the effects from the continued suspended VAT refunds in Ukraine on the Group's development in future periods. In terms of the key assumptions used, an average iron ore index price of US\$115 per tonne of 65% Fe fines CFR North China was used in the assumptions for the cash flow projection for the next five years.

When assessing its expected future long-term selling price, the Group considers external and internal analysis of the short-term and longer-term supply and demand dynamics on the international market for iron ore pellets and concentrate as well as more specific local supply and demand balances affecting its major customers.

The Group's production level is currently constrained by the suspended VAT refunds in Ukraine and remains highly dependent on a constant power supply and the logistics network available to the Group as well as other potential adverse effects on the Group's operation due to the ongoing war. As a result of the current restrictions, the production capacity used for the cash flow projection under the base case is expected to be approximately 40% of the pre-war level for the financial year 2026, before an increase to approximately 64% in 2027 and an expected recovery to pre-war levels in the second half of 2028. Because of an increased demand for high-grade concentrate and the expected realisable margins based on forecast market conditions, the share of concentrate production increased significantly and averaged around 28% for the years covered by the long-term model, compared to 11% in the long-term model used for the 2024 year-end impairment test. There is no perpetual growth rate applied for the cash flow projections beyond the last year covered by the Group's long-term model.

NOTE 13: PROPERTY, PLANT AND EQUIPMENT CONTINUED

The Group's expected major cost components, such as production and shipping costs, are determined taking into account local inflationary pressure, major exchange rate developments between the Ukrainian hryvnia and the US dollar, the short-term and longer-term trends in energy supply and demand and the expected movements in steel-related commodity prices, which could have a material effect on the cost of certain production input materials. In terms of the currently unavailable logistics route via the Black Sea ports in Ukraine, given the importance of this route for both parties involved in this war and for the global grain supply, it is management's judgement the situation will ease later in 2026 and it is therefore expected that the Black Sea ports should once again be available to the Group for its sales to certain markets.

Due to the expected increase of the share of concentrate production during the years covered by the Group's long-term model, management has assessed whether the increase in concentrate production could indicate that the assets used for the production of pellets and concentrate represent two separate cash-generating units. Following a thorough assessment, management concluded that it is still appropriate to test the Group's non-current operating assets based on one CGU because of the high level of vertical integration of the Group's production at the Group's major subsidiary Ferrexpo Poltava Mining and absence of largely independent cash flows. Further to that, it is management's view that an impairment test based on two CGUs would not reflect appropriately the Group's current challenging circumstances as the total impairment loss would be limited by the total value of the assets used for the production of pellets.

The key assumptions used for the preparation of the Group's long-term model are:

Key assumptions	Basis
Future production and sales volume	Proved and probable reserves and available logistics capacity and power supply
Commodity prices	Contract prices and longer-term price estimates
Capital expenditures	Estimated future sustaining capital expenditures
Cost of raw materials and other production/distribution	Expected future cost of production
Exchange rates	Longer-term predictions of market exchange rates
Nominal pre-tax discount rate	Cost of capital risk adjusted for the resource concerned

The outcome of the Group's impairment test is predominantly dependent on the forecast cash flow generation and the nominal pre-tax discount rate to be applied. For the impairment test as at 31 December 2025, it was decided to apply a dual WACC approach, whereby a higher WACC is used for the years during which the war is expected to be ongoing and a post-war WACC is applied for the years following the war. As a result, the Group's forecast cash flows for the financial years 2026 and 2027 were discounted with a WACC of 25.8% and those for the following years with a WACC of 19.2% (2024: single WACC of 23.1%), both of them still significantly higher than the pre-war WACC of 13.8% as at 31 December 2021. It is management's position that the change to a dual WACC approach is a better basis for the computation of the value in use of the Group's non-current operating assets as at 31 December 2025 as this more accurately reflects the impact of the terminal value on the value in use.

According to the base case of the Group's impairment test prepared for the 2025 year end accounts, the value in use of the Group's single cash-generating unit's operating non-current assets, including property, plant and equipment as well as other intangible assets and other non-current assets, supported the carrying value of these assets as at 31 December 2025, as a result, no further impairment losses needed to be recognised in addition to the impairment loss of US\$154,107 thousand recognised as at 30 June 2025. As in the past, the recorded impairment loss is allocated to various asset categories within property, plant and equipment. The key assumptions in respect of production and sales volumes are largely dependent on the point of time when VAT refunds in Ukraine will resume again, whereas the production costs are dependent on end of the war in Ukraine, and therefore a wide range of alternative outcomes are possible, reflecting a high level of uncertainty. The Group's financial long-term model assumes an inflow of US\$100,000 thousand from a fundraise expected to be completed in late September 2026, which is conditional on all of the resolutions being passed by the shareholders of Ferrexpo plc. If the resolutions are not passed by the shareholders, or if any of the other conditions are not satisfied, the planned fundraise will not proceed, which will have a significant impact on the Group's ability to continue as a going concern and, as a consequence, on the valuation of its non-current operating assets.

A delay of the recovery of the production and sales volumes to a pre-war level by another year, which is possible, if VAT refunds are not resumed as expected by management, with all other assumptions remaining unchanged, would reduce the value in use of the Group's non-current operating assets by approximately US\$79,000 thousand. A reduction of the realised price by 10% in 2026 and 5% for each year until 2048 would reduce the value in use by approximately US\$240,000 thousand and a decrease of the production and sales volume by 10%, combined with an increase of the production costs by 5%, again for the entire period of the assessment, would reduce the value in use by approximately US\$292,000 thousand whilst every 1.0% increase of the nominal pre-tax discount rate would reduce the value in use by approximately US\$50,000 thousand, with all other assumptions remaining unchanged. There is a potential risk that the logistics route via the ocean-going Black Sea ports in Ukraine may not be available to the Group as currently expected by management and as reflected in the Group's current long-term model.

The total impairment loss of US\$154,107 thousand recorded during the financial year 2025 is in addition to the impairment losses of US\$71,170 thousand and US\$254,477 thousand recorded during the financial years ended 31 December 2024 and 31 December 2022. The recorded impairment losses will be re-assessed at the end of any future reporting periods. If there are positive developments in the Group's future cash flow generation and the relevant macroeconomic data, the impairment loss or a portion of it might reverse in future periods. Conversely, an adverse change in the above key assumptions might further reduce the value in use of these assets.

As disclosed in Note 2 Basis of preparation and Note 30 Commitments, contingencies and legal disputes, the Group announced on 29 January 2024 that a Ukrainian court of appeal has confirmed a claim against Ferrexpo Poltava Mining ("FPM") in the amount of UAH4,727 million (US\$111,517 thousand as at 31 December 2025), in respect of contested sureties. FPM appealed this decision to the Supreme Court of Ukraine and the court proceedings continued during the year ended 31 December 2025 and no decision has been made as at the date of the approval of these consolidated financial statements. In relation to the contested sureties' claim, which is still under review by the Supreme Court of Ukraine, a local court of first instance in Poltava ruled in favour of the claimant in the dispute over the contested sureties and ordered the opening of bankruptcy proceedings against Ferrexpo Poltava Mining ("FPM").

NOTE 13: PROPERTY, PLANT AND EQUIPMENT CONTINUED

Despite the fact that it was management's view that FPM has compelling arguments to defend its position in the Supreme Court of Ukraine, given the magnitude of this specific claim and the underdeveloped and fragile judicial system in Ukraine, the Group recorded a full provision for this claim as at the end of the financial year ended 31 December 2023 in accordance with IAS 37 Provisions, contingent liabilities and contingent assets and has not been released as at 31 December 2025. If the ruling of the Supreme Court is not in favour of FPM or if any enforcement procedures are commenced by the appointed insolvency manager before the final ruling of the Supreme Court, there is a risk that some of the Group's property, plant and equipment will be seized or subject to a forced sales process as part of the enforcement proceedings. Although the Group has recognised a provision for the full amount of the contested sureties claim, there is a risk that any assets subject to seizure or a forced sales process are valued at an amount which is different than their current carrying values as at 31 December 2025. Note 2 Basis of preparation provides further information in terms of the possible implications on the Group's ability to continue as a going concern.

In addition to the case above and as disclosed in Note 2 Basis of preparation, there is still a risk of nationalisation of 49.5% of shares in FPM and certain of its assets, which could potentially affect the availability of FPM's property, plant and equipment and, as a consequence, the carrying value of these assets included in the Group's consolidated financial statements. Due to the lack of information available at the date of the approval of these consolidated financial statements, it is impossible to estimate the possible financial impact in future periods. See Note 30 Commitments, contingencies and legal disputes for further information.

As at 31 December 2025, property, plant and equipment comprised:

US\$000	Exploration and evaluation	Land	Mining assets	Buildings and tailings dam	Vessels	Plant and equipment	Vehicles	Fixtures and fittings	Assets under construction	Total
Cost:										
At 1 January 2024	1,443	8,006	313,891	255,623	137,891	403,037	224,867	8,763	302,115	1,655,636
Additions	–	86	(157)	29	636	617	1,173	44	119,348	121,776
Transfers	–	99	–	17,131	4,358	22,548	3,624	162	(47,922)	–
Disposals	–	–	–	(261)	(107)	(620)	(33)	(44)	(802)	(1,867)
Reclassifications	–	–	–	–	–	–	–	–	(11,148)	(11,148)
Translation differences	(139)	(776)	(30,289)	(24,811)	(5,918)	(35,287)	(16,370)	(669)	(33,290)	(147,549)
At 31 December 2024	1,304	7,415	283,445	247,711	136,860	390,295	213,261	8,256	328,301	1,616,848
Additions	–	40	762	65	1,693	56	2	2	61,135	63,755
Transfers	–	(17)	248	2,867	1,015	21,333	891	185	(26,522)	–
Disposals	–	–	–	(257)	–	(636)	(1,380)	(16)	–	(2,289)
Reclassifications	–	–	–	–	–	–	–	–	(12,783)	(12,783)
Translation differences	(11)	(55)	(2,337)	(2,051)	12,515	(3,034)	(1,234)	34	(2,776)	1,051
At 31 December 2025	1,293	7,383	282,118	248,335	152,083	408,014	211,540	8,461	347,355	1,666,582
Accumulated depreciation and impairment:										
At 1 January 2024	–	23	108,818	130,593	95,177	271,447	178,601	6,265	38,678	829,602
Depreciation charge	–	–	8,802	14,112	4,577	23,922	7,162	679	–	59,254
Disposals	–	–	–	(172)	(71)	(573)	(21)	(42)	–	(879)
Write-offs and impairments	–	191	15,383	9,847	3,471	10,008	3,110	–	30,074	72,084
Transfers of impairments	–	–	–	3,063	–	4,131	855	28	(8,077)	–
Translation differences	–	–	(11,127)	(13,320)	(3,457)	(23,009)	(12,190)	(462)	(3,566)	(67,131)
At 31 December 2024	–	214	121,876	144,123	99,697	285,926	177,517	6,468	57,109	892,930
Depreciation charge	–	–	28,567	13,198	4,002	16,073	3,556	606	(200)	65,802
Disposals	–	–	–	(163)	(3)	(550)	(1,375)	(17)	–	(2,108)
Write-offs and impairments	–	464	31,021	19,739	8,408	21,762	6,954	(3)	71,342	159,687
Transfers of impairments	–	–	128	1,005	–	6,820	384	76	(8,413)	–
Translation differences	–	(7)	(2,128)	(1,769)	7,529	(2,625)	(1,142)	29	(1,544)	(1,657)
At 31 December 2025	–	671	179,464	176,133	119,633	327,406	185,894	7,159	118,294	1,114,654
Net book value:										
At 31 December 2024	1,304	7,201	161,569	103,588	37,163	104,369	35,744	1,788	271,192	723,918
At 31 December 2025	1,293	6,712	102,654	72,202	32,450	80,608	25,646	1,302	229,061	551,928
<i>Amortisation profile (in years)</i>	<i>n/a</i>	<i>n/a</i>	<i>UOP</i>	<i>20 to 50</i>	<i>8 to 40</i>	<i>3 to 15</i>	<i>7 to 15</i>	<i>2.5 to 10</i>	<i>n/a</i>	

NOTE 13: PROPERTY, PLANT AND EQUIPMENT CONTINUED

Assets under construction consist of ongoing capital projects amounting to US\$197,838 thousand (2024: US\$232,773 thousand) and capitalised pre-production stripping costs of US\$31,223 thousand (2024: US\$38,420 thousand) for components of ore bodies expected to be put into operation in future periods only. Once the extraction of ore commences in relation to these ore bodies, the capitalised stripping costs are transferred to mining assets and the depreciation commences.

Deferred pre-production stripping costs in the amount of US\$182,640 thousand relate to components of the ore bodies put into operation and are included in mining assets (2024: US\$214,682 thousand). No production stripping costs are capitalised as of this point in time.

Property, plant and equipment include a total of capitalised borrowing costs on qualifying assets of US\$21,400 thousand (2024: US\$25,073 thousand). With the exception of lease liabilities, the Group does not have any outstanding interest-bearing loans and borrowings, and borrowing costs are therefore no longer capitalised.

The gross value of fully depreciated property, plant and equipment that is still in use is US\$192,964 thousand (2024: US\$165,746 thousand).

See Note 2 Basis of preparation in respect of the impact of climate change on the Group's financial statements.

NOTE 14: RIGHT-OF-USE ASSETS

ACCOUNTING POLICY

The Group recognises right-of-use assets for leases of buildings, equipment and land not used for the direct extraction of iron ore, as these fall within the scope of IFRS 16 *Leases*. The leases for land used for the extraction of iron ore are not within the scope of IFRS 16 *Leases* according to the exemptions specified in the standard and are disclosed as commitments for the lease of mining land in Note 30 Commitments, contingencies and legal disputes.

The right-of-use asset is recognised at the commencement date of the lease (when the asset is ready for use) and initially measured at cost. The cost includes the balance of the lease liability recognised, initial direct costs and lease payments made at or before the commencement date.

In subsequent periods, the value of the right-of-use assets is adjusted for accumulated depreciation, impairment losses and remeasurement of the lease liability, if any. The depreciation is on a straight-line basis over the shorter of the estimated useful life of the underlying asset and the lease term.

In terms of land not used for the direct extraction of iron ore, the Group holds long-term land lease agreements with the Ukrainian government, typically with durations of up to 49 years. Payments under these lease agreements are made in the form of rental taxes determined annually by the government based on the normative value of the land. As these payments are not substantially fixed and are subject to non-market-driven annual changes, they do not meet the definition of in-substance fixed lease payments under IFRS 16 *Leases*. Consequently, the Group recognises right-of-use assets and related lease liabilities only over a 12-month period, representing the portion of the lease term for which payments are considered substantially fixed. Future payments beyond this period are disclosed as lease-related commitments.

Payments for short-term leases or leases for assets of a low value are recognised as an expense on a systematic basis over the lease term.

As at 31 December 2025, the right-of-use assets comprised:

US\$000	Land	Buildings and tailings dam	Total
Net book value:			
At 1 January 2024	4,975	1,877	6,852
Additions	3,878	296	4,174
Depreciation	(4,473)	(1,100)	(5,573)
Translation differences	(424)	–	(424)
At 31 December 2024	3,956	1,073	5,029
Additions	3,754	6,899	10,653
Depreciation	(4,132)	(953)	(5,085)
Translation differences	–	(2)	(2)
At 31 December 2025	3,578	7,017	10,595

The right-of-use assets recognised by the Group primarily relate to the 12-month period of lease agreements for land not used for the direct extraction of iron ore in Ukraine and to long-term rental contracts for several of the Group's office premises with rental periods of five to ten years, leased equipment.

Leased assets and assets under hire purchase contracts are pledged as security for the related finance leases and hire purchase liabilities.

Lease-related commitments for future contingent rental payments were US\$100,794 thousand as at 31 December 2025 (2024: US\$112,780 thousand). These commitments include future cash flows dependent on non-fixed rates related to the long-term portion of leases of land not used for the direct extraction of iron ore and accounted for under IFRS 16 *Leases* whereas the short-term portion is recognised as lease liability in the consolidated statement of financial position.

For further information on lease related balances see Note 26 Lease liabilities and Note 30 Commitments, contingencies and legal disputes regarding the commitments for the use of mining land.

NOTE 15: INTANGIBLE ASSETS

ACCOUNTING POLICY

Exploration and evaluation assets

Costs incurred in relation to the exploration and evaluation of potential iron ore deposits are capitalised and classified as tangible or intangible assets depending on the nature of the expenditures. Costs associated with exploratory drilling, researching and analysing of exploration data and costs of pre-feasibility studies are included in tangible assets whereas those associated with the acquisition of licences are included in intangible assets. For the detailed accounting policy on exploration and evaluation assets see Note 13 Property, plant and equipment.

Patents and licences, computer software and other intangible assets

Patents and licences, computer software and other intangible assets acquired separately are measured on initial recognition at cost and the useful lives are assessed as either finite or indefinite. Following the initial recognition, the intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. If amortised, the intangible assets are amortised on a straight-line basis over the estimated useful life of the asset. Capitalised mineral licences are amortised on a unit of production basis.

The cost of other intangible assets acquired in a business combination is its fair value as at the date of acquisition.

Impairment testing

Intangible assets are considered to be part of the Group's non-current operating assets, which are tested for impairment as a single cash-generating unit. For the detailed accounting policy on impairment testing see Note 13 Property, plant and equipment.

As at 31 December 2025, intangible assets comprised:

US\$000	Exploration and evaluation	Patents and licences	Computer software	Assets in progress	Total
Cost:					
At 1 January 2024	3,496	3,807	9,446	162	16,911
Additions	–	–	5	687	692
Disposals	–	(3)	(131)	(36)	(170)
Transfers	–	–	584	(583)	1
Translation differences	(345)	(355)	(887)	(26)	(1,613)
At 31 December 2024	3,151	3,449	9,017	204	15,821
Additions	–	–	1	152	153
Disposals	–	(12)	(70)	–	(82)
Transfers	–	–	227	(227)	–
Translation differences	(28)	14	212	(85)	113
At 31 December 2025	3,123	3,451	9,387	44	16,005
Accumulated amortisation and impairment:					
At 1 January 2024	1,192	1,936	7,415	–	10,543
Amortisation charge	–	224	665	–	889
Disposals	–	(1)	(164)	–	(165)
Translation differences	(123)	(186)	(705)	–	(1,014)
At 31 December 2024	1,069	1,973	7,211	–	10,253
Amortisation charge	–	158	612	–	770
Disposals	–	(12)	(66)	–	(78)
Translation differences	(9)	25	126	–	142
At 31 December 2025	1,060	2,144	7,883	–	11,087
Net book value:					
At 31 December 2024	2,082	1,476	1,806	204	5,568
At 31 December 2025	2,063	1,307	1,504	44	4,918
<i>Amortisation profile (in years)</i>	<i>n/a</i>	<i>2 to 10</i>	<i>2 to 5</i>	<i>n/a</i>	

IMPAIRMENT TESTING

The impairment losses recorded in previous years as a result of the war in Ukraine are re-assessed at the end of any future reporting periods. If there are positive developments in the Group's future cash flow generation and the relevant macroeconomic data, the impairment loss or a portion of it might reverse in future periods. Conversely, an adverse change in the above key assumptions might further reduce the value in use of the Group's operating non-current assets and result in further impairment losses.

The total impairment loss of US\$154,107 thousand recorded during the financial year 2025 was fully allocated to property, plant and equipment. An impairment loss of US\$29,103 thousand was recorded during the financial year 2022, of which US\$27,340 thousand related to a goodwill existing from the acquisition of one of the Group's subsidiaries in Ukraine.

There is no partial or full reversal of the impairment losses allocated in the past to any of the intangible assets to be recorded as at 31 December 2025. The impairment loss recognised for goodwill is not subject to a reversal in a subsequent period.

Sensitivity to changes in assumptions

See Note 13 Property, plant and equipment on pages 223 to 225 in terms of the impact of changes in key assumptions on the impairment in future periods.

NOTE 16: OTHER NON-CURRENT ASSETS

As at 31 December 2025, other non-current assets comprised:

US\$000	As at 31.12.25	As at 31.12.24
Prepayments for property, plant and equipment	26,662	27,221
Other non-current assets	5,712	5,235
Total other non-current assets	32,374	32,456

Prepayments for property, plant and equipment are stated net of a total impairment loss of US\$5,443 thousand, which is the result of a proportional allocation of the total impairment loss to this asset category during the financial year 2022. This impairment was caused by the Russian invasion of Ukraine in February 2022, resulting in a significant lower cash flow generation of the Group. The impairment test performed as at 30 June 2025 resulted in an additional impairment loss of US\$154,107 thousand, which was fully allocated to property, plant and equipment.

Other non-current assets include a prepayment of US\$5,223 thousand in relation to an investment in a joint venture. The closing of this transaction is only possible once martial law in Ukraine is lifted.

NOTE 17: INVENTORIES

ACCOUNTING POLICY

Inventories are stated at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials – at cost on a first-in, first-out basis.
- Finished goods and work in progress – at cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.
- Low-grade and weathered ore – at cost, if lower than net realisable value.

The net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion (conversion into pellets or concentrate) and the estimated costs necessary to sell the product or goods.

Major spare parts and servicing equipment that meet the definition of property, plant and equipment are, in accordance with IAS 16, included in property, plant and equipment and not in inventory.

At 31 December 2025, inventories comprised:

US\$000	As at 31.12.25	As at 31.12.24
Raw materials and consumables	36,291	43,540
Spare parts	74,595	85,076
Finished ore pellets	8,739	49,740
Work in progress	7,941	12,115
Other	1,462	2,037
Total inventories – current	129,028	192,508
Weathered ore	12,329	5,185
Total inventories – non-current	12,329	5,185
Total inventories	141,357	197,693

Following attacks on Ukrainian energy infrastructure on 8 November 2025, the supply of power to the Group's operations has been affected and as a result its production of iron ore pellets and concentrate was interrupted and affected later in November and December 2025, resulting in low inventories of finished iron ore pellets and concentrate as at 31 December 2025.

Historically, inventories classified as non-current comprised low-grade and weathered ore that were, based on the Group's processing plans, not planned to be processed within the next 12 months. The balance of US\$12,329 thousand as at 31 December 2025 is net of impairment losses of US\$231,111 thousand recorded as at 31 December 2021, as it was not possible to reliably predict at this point of time when required additional processing capabilities will be available to specifically process the stockpiled low-grade and weathered ore. The stockpiled low-grade ore is still considered as an asset for the Group and a portion of or all of the impairment losses might reverse in the future, once changed facts and circumstances can be considered in the net realisable value test of this asset. Due to the ongoing war in Ukraine resulting in a lower cash flow generation, it is currently impossible to accelerate the commenced engineering studies for the exploration of possible options for new processing capabilities required to specifically process low-grade ore, so that there are still no changes in facts and circumstances to be considered as at 31 December 2025.

During the financial year ended 31 December 2025, a volume of 1,998 thousand (2024: 3,684 thousand) tonnes of low-grade ore in the amount of US\$15,194 thousand (2024: US\$36,317 thousand) was extracted and stockpiled, and directly recognised in the consolidated financial statements, included in cost of sales, due to the uncertainties in respect of the expected time of processing of the extracted and stockpiled volumes.

As disclosed in Note 2 Basis of preparation and Note 30 Commitments, contingencies and legal disputes, there is a risk that some of the Group's inventories are seized or subject to a forced sales process, if enforcement procedures in respect of an ongoing legal dispute commence. Although the Group has recognised a provision for the full amount of the contested sureties claim, there is a risk that the future net realisable value of potentially seized finished goods subject to any potential seizure or forced sales process is different than the value recognised at cost in the consolidated financial statements as at 31 December 2025.

NOTE 18: TRADE AND OTHER RECEIVABLES**ACCOUNTING POLICY**

Trade receivables are non-derivative financial assets initially measured at fair value. Due to their short maturity, the fair value of trade receivables approximates their carrying amount, which is stated at original invoice amount less an allowance for expected credit losses. The Group applies the simplified approach to measure the loss allowance at an amount equal to the lifetime expected credit losses of its customers based on publicly available default risk ratings adjusted for current observable circumstances, forecast information and past history of credit losses. All of the Group's receivable balances are classified as current based on the agreed terms and conditions and the Group has no history of credit losses. Therefore, the Group measures the lifetime expected credit losses of its customers using the 12-month probability of default. Individual balances are written off when management deems that there is no possibility of recovery. Fully written off trade and other receivable balances could still be subject to enforcement activities.

Trade receivables include provisionally priced sales which are open at the end of the reporting period. Certain contracts have embedded provisional pricing mechanisms, which have the character of commodity derivatives that are carried at fair value through profit and loss. For further information on the Group's contracts with customers see Note 6 Revenue. Revenues on these contracts are initially recognised at the estimated fair value of consideration receivable, based on the contractual or forward prices, depending on the specific terms and conditions with the customers, and adjusted at the end of each subsequent reporting period on the basis of changes in iron ore index prices and the specific underlying contract terms. Final prices based on the relevant index are normally known within 60 days after the reporting period. Further information on the fair value of the embedded provisional pricing mechanism at 31 December 2025 is disclosed in Note 27 Financial instruments.

At 31 December 2025, trade and other receivables comprised:

US\$000	As at 31.12.25	As at 31.12.24
Trade receivables	30,792	32,274
Other receivables	18,926	17,841
Expected credit loss allowance	(15,995)	(10,323)
Total trade and other receivables	33,723	39,792

Following attacks on Ukrainian energy infrastructure on 8 November 2025, the supply of power to the Group's operations has been affected and as a result its production of iron ore pellets and concentrate was interrupted and affected later in November and December 2025. The lower level of production during this period had a substantial impact on the Group's sales during these months and, as result, the balance of outstanding trade receivables as at 31 December 2025.

The lower level of activity during this period led to a significant decline in the Group's revenue and, consequently, in the balance of outstanding trade receivables as at 31 December 2025.

As trade receivables are non-interest bearing and final invoices are generally settled within 90 days after delivery at the latest, contracts with customers are not deemed to contain a significant financing component.

Trade receivables at 31 December 2025 include US\$1,147 thousand (2024: US\$2,571 thousand) owed by related parties. The detailed related party disclosures are made in Note 34 Related party disclosures.

The movement in the expected credit loss allowance for trade and other receivables during the year under review was:

US\$000	Year ended 31.12.25	Year ended 31.12.24
Opening balance	10,323	13,030
Increase	7,237	4,506
Release	(1,743)	(6,237)
Translation differences	178	(976)
Closing balance	15,995	10,323

During the financial years 2025 and 2024, there was no movement in the expected credit loss allowance for trade and other receivables relating to lifetime expected credit losses and credit impaired assets.

The following table shows the Group's receivables at the reporting date that are subject to credit risk using a provision matrix:

As at 31.12.25	Days past due				
US\$000	Current	Less than 45 days	45 to 90 days	Over 90 days	Total
Expected loss rate	4.1%	20.7%	84.6%	42.9%	32.2%
Trade receivables – gross carrying amount	14,445	2,948	3,345	10,054	30,792
Other receivables – gross carrying amount	953	473	2	17,498	18,926
Expected credit loss allowance	628	707	2,832	11,828	15,995

The expected credit loss allowance increased primarily due to a higher proportion of outstanding receivable balances in Ukraine, resulting in increased exposure to Ukrainian country risk. Overall outstanding receivable balances remained stable, while the default risk ratings of the Group's customers were also consistent with the prior year.

The expected loss rate in for 45–90 days reflects the impact of a material receivable that has been individually assessed and fully provided for, resulting in a higher weighted average loss rate for this aging category.

NOTE 18: TRADE AND OTHER RECEIVABLES CONTINUED

As at 31.12.24 US\$000	Current	Days past due			Total
		Less than 45 days	45 to 90 days	Over 90 days	
Expected loss rate	2.0%	22.8%	25.2%	33.4%	20.6%
Trade receivables – gross carrying amount	18,838	2,770	693	9,973	32,274
Other receivables – gross carrying amount	428	1	29	17,382	17,840
Expected credit loss allowance	382	631	182	9,128	10,323

The change of the balance of impairment losses on trade receivables recognised in the consolidated income statement as at 31 December 2025 and 2024 was not material and therefore not disclosed separately in the consolidated income statement. For further information see the table above.

The Group's exposures to credit, currency and commodity risks are disclosed in Note 27 Financial instruments.

NOTE 19: PREPAYMENTS AND OTHER CURRENT ASSETS

As at 31 December 2025, prepayments and other current assets comprised:

US\$000	As at 31.12.25	As at 31.12.24
Prepayments to suppliers:		
Electricity and gas	2,429	3,482
Materials and spare parts	944	3,556
Services	3,085	5,390
Other prepayments	21	220
Freight-related prepayments	1,752	9,276
Prepaid expenses	2,166	2,693
Other	38	31
Total prepayments and other current assets	10,435	24,648

Prepayments at 31 December 2025 include US\$23 thousand (2024: US\$93 thousand) made to related parties. The detailed related party disclosures are made in Note 34 Related party disclosures.

Freight costs in the amount of US\$9,276 thousand were included in the balance of freight-related prepayments at the beginning of the year and recognised in the consolidated income statement during the year ended 31 December 2025 (2024: US\$1,456 thousand).

NOTE 20: OTHER TAXES RECOVERABLE AND PAYABLE

ACCOUNTING POLICY

Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax ("VAT"), except:

- where VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of VAT included.

VAT receivable balances are not discounted unless the overdue balances are expected to be received after more than 12 months following the year end, subject to a contractual agreement regarding the exact timing of the expected refunds.

As at 31 December 2025, taxes recoverable and prepaid comprised:

US\$000	As at 31.12.25	As at 31.12.24
VAT receivable	2,852	35,270
Other taxes prepaid	764	1,026
Total other taxes recoverable and prepaid – current	3,616	36,296
VAT receivable	71,195	–
Total other taxes recoverable and prepaid – non-current	71,195	–
Total other taxes recoverable and prepaid	74,811	36,296

Following the suspension of VAT refunds in Ukraine, it is expected that the outstanding VAT balance in Ukraine will be recovered only 12 months after the year end. The total non-current VAT receivable balance as at 31 December 2025 in the table above is net of allowances of US\$15,113 thousand (31 December 2024: US\$2,146 thousand), of which US\$2,033 thousand (31 December 2024: US\$2,146 thousand) are not related to the adjusting post balance sheets event described under critical estimates below. The allowances recorded in respect of the negative court decisions are considered as adjusting items and therefore excluded from the Group's underlying EBITDA as of an exceptional nature.

NOTE 20: OTHER TAXES RECOVERABLE AND PAYABLE CONTINUED

The table below provides a reconciliation of the VAT receivable balance in Ukraine:

US\$000	Year ended 31.12.25	Year ended 31.12.24
Opening balance, gross	33,984	27,104
Net VAT incurred	70,030	111,020
VAT refunds received	(16,494)	(100,224)
Translation differences	(1,212)	(3,916)
Closing balance, gross	86,308	33,984
Allowance	(15,113)	(2,146)
Closing balance, net	71,195	31,838

The VAT balance outstanding and claimed at the end of the comparative year ended 31 December 2024 in the amount of US\$16,494 thousand was refunded in January and February 2025 in full. Since then, the Group's subsidiaries in Ukraine have not received any VAT refunds, due to the personal sanctions imposed on Mr Zhevago. The remaining balance outstanding as at 31 December 2024 was claimed in January and February 2025 only and is included in the total balance of suspended VAT refunds as at 31 December 2025. Further details are provided under critical estimates below.

CRITICAL ESTIMATES

As disclosed in Note 30 Commitments, contingencies and legal disputes, Ferrexpo Poltava Mining ("FPM") and Ferrexpo Yeristovo Mining ("FYM") received in 2025 and 2026 notifications from the Ukrainian tax authorities of a decision to suspend the claims made for various monthly VAT refunds.

As at 31 December 2025, VAT refunds in the aggregate amount of UAH2,599,043 thousand (US\$61,315 thousand at this date) were suspended by the State Tax Service ("STS"). FPM and FYM have been filing and will continue to file lawsuits to the court for each month in relation to the suspended VAT refunds. It is expected that VAT refunds will resume only once the personal sanctions imposed on Mr Zhevago have been lifted or if local tax authorities complied with the favourable court rulings obtained by the Group's subsidiaries.

Despite certain positive court decisions in respect of the claims made by the Group's subsidiaries for not refunded VAT balances, the balances claimed neither have been refunded by the local tax authorities nor is there a contractual agreement regarding the exact timing of the expected refunds in place. At the same time, as disclosed in Note 35 Events after the reporting period, the Group's subsidiaries received in May, June and July 2026 five negative decisions from the court of appeal in respect of five monthly VAT refund claims, for which the refunds of individual monthly claims made in the past were refused by the tax authorities. These negative decisions received in 2026 relate to legal proceedings that commenced in 2025 and are therefore treated as adjusting events after the reporting period when preparing these consolidated financial statements for the year ended 31 December 2025. Consequently, additional allowances totalling US\$13,080 thousand were recognised as at 31 December 2025. The Group's subsidiaries have resubmitted the claims refused by the court of appeal to the tax authorities for refund in cash. No allowance or discount effect was recorded as at 31 December 2025 for the outstanding balances expected to be refunded after more than 12 months, for which no negative decisions from the court of appeal were received. Further information on the ongoing court proceedings is provided in Note 30 Commitments, contingencies and legal disputes.

Further to that, management is continuing to monitor the situation closely and examining possible measures to ensure that VAT refunds are received again in the near future. The situation is continuously reassessed by management based on the developments in the courts, and it is currently unclear when VAT refunds can be expected again. However, the absence of VAT refunds does have an impact on the Group's cash flow generation and available cash balance and, as a consequence, on the Group's ability to continue as a going concern. See Note 2 Basis of preparation for further details.

As at 31 December 2025, other taxes payable comprised:

US\$000	As at 31.12.25	As at 31.12.24
Environmental tax	376	819
Royalties	5,242	8,174
VAT payable	120	201
Other taxes	4,081	4,294
Total other taxes payable	9,819	13,488

NOTE 21: TRADE AND OTHER PAYABLES

ACCOUNTING POLICY

Trade and other payables are not interest-bearing, being generally short-term, and are stated at their original invoice amount.

As at 31 December 2025, trade and other payables comprised:

US\$000	As at 31.12.25	As at 31.12.24
Materials and services	22,477	47,039
Payables for equipment	4,254	8,354
Other	503	388
Total current trade and other payables	27,234	55,781

Trade and other payables at 31 December 2025 include US\$1,288 thousand (2024: US\$1,085 thousand) due to related parties. See Note 34 Related party disclosures for further information.

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 27 Financial instruments.

NOTE 22: PENSION AND POST-EMPLOYMENT OBLIGATIONS

ACCOUNTING POLICY

The defined benefit costs relating to the plans operated by the Group in the different countries are determined and accrued in the consolidated financial statements using the projected unit credit method for those employees entitled to such payments. The underlying assumptions are defined by management and the defined benefit pension liability is calculated by independent actuaries at the end of each annual reporting period.

Remeasurements, comprising actuarial gains and losses, are immediately reflected in the statement of financial position. The corresponding charge or credit is recognised in the other comprehensive income of the period in which it occurred and immediately reflected in retained earnings as not reclassified to the consolidated income statement in subsequent periods.

The costs of managing plan assets are deducted from the return on plan assets reflected in other comprehensive income. All other scheme administration costs are charged to the consolidated income statement. The net interest is calculated by applying the discount rate to the net defined benefit pension liability or plan assets. Any past service costs are recognised in the consolidated income statement at the earlier of when the plan amendment occurs or when related restructuring costs are recognised.

The service costs (including current and past) are included in cost of sales, selling and distribution expenses and general and administrative expenses in the consolidated income statement whereas the net finance expenses are included in finance expenses.

The defined benefit pension liability is the aggregate of the defined benefit obligation less fair value of plan assets of funded schemes. The Group operates funded and unfunded schemes.

The Group's expenses in relation to defined contribution plans are charged directly to the consolidated income statement.

The Group mainly operates defined benefit plans for qualifying employees of its subsidiaries in Ukraine and Switzerland. All local defined benefit pension liabilities are calculated by independent actuaries applying accepted actuarial techniques. In addition to the aforementioned schemes, the Group operates a defined benefit scheme in Austria and contribution plans for qualifying employees in the UK and in Singapore.

Details of the major defined benefit schemes in Ukraine and Switzerland are provided below:

Ukraine

The Group's subsidiaries in Ukraine make defined contributions to the Ukrainian State Pension Scheme at statutory rates based on the gross salary payments made to the employees. PJSC Ferrexpo Poltava Mining ("FPM") and LLC Ferrexpo Yeristovo Mining ("FYM") also have a legal obligation to compensate the Pension Fund of Ukraine for additional (early) pensions paid to certain categories of its current and former employees. All pension schemes in Ukraine are unfunded.

At 31 December 2025, the pension schemes in Ukraine covered 2,412 current employees (2024: 2,610 people) and 3,944 former employees (2024: 3,844 people) and there are currently 661 people in receipt of pensions (2024: 664 people).

Switzerland

The employees of the Group's Swiss operation are covered by a pension plan within a collective foundation (multiple-employer plan), which is governed in accordance with the requirements of Swiss law. The funding, of which at least 50% is contributed by the employer and at most 50% by the employees, is based on the regulations of the pension scheme and Swiss law. The pension scheme in Switzerland is funded and the assets of the pension scheme are held separately from those of the Group within the legal separate entity of the collective foundation and are invested in bonds, equities, real estate and others. The accumulated capital is converted into a lifelong pension or withdrawn as a lump sum at the time of retirement.

NOTE 22: PENSION AND POST-EMPLOYMENT OBLIGATIONS CONTINUED

On retirement, employees are entitled to receive either a lump sum or an annual proportion of their accumulated capital as a pension underpinned by certain guarantees. The Group and the employees make contributions to the pension scheme as a percentage of the insured salaries depending on the age of the employees.

At 31 December 2025, the Swiss pension scheme covered 21 people (2024: 22 people).

The principal assumptions used in determining the defined benefit obligation are shown below:

	Year ended 31.12.25		Year ended 31.12.24	
	Ukrainian schemes	Swiss scheme	Ukrainian schemes	Swiss scheme
Discount rate	16.6%	1.2%	15.7%	1.0%
Retail price inflation	5.5%	0.8%	5.2%	0.8%
Expected future salary increase	8.4%	1.3%	9.0%	1.3%
Expected future benefit increase	8.4%	–	9.0%	–
Female life expectancy (years)	79.8	89.8	79.8	89.7
Male life expectancy (years)	75.6	88.1	75.6	88.0
Duration of defined benefit pension plans (years)	6.4	18.4	8.8	19.9

Reconciliation of post-employment defined benefit plans to the statement of financial position:

	As at 31.12.25	As at 31.12.24
US\$000		
Present value of funded defined benefit obligation	6,607	5,659
Fair value of plan assets	(5,503)	(4,231)
Funded status	1,104	1,428
Present value of unfunded defined benefit obligation	16,291	21,378
Defined benefit pension liability	17,395	22,806
Thereof for Ukrainian schemes	16,150	21,236
Thereof for Swiss scheme	1,104	1,427
Thereof for schemes in other jurisdictions	141	143

Amounts recognised in the consolidated income statement or in other comprehensive income are as follows:

	Year ended 31.12.25	Year ended 31.12.24
US\$000		
Defined benefit cost charged in the consolidated income statement:		
Current service cost	1,116	981
Past service cost	(63)	(45)
Interest cost on defined benefit obligation	3,430	2,488
Interest income on plan assets	(46)	(56)
Administration cost	17	13
Total defined benefit costs charged in the consolidated income statement	4,454	3,381
Remeasurement (gains)/losses in consolidated statement of other comprehensive income:		
Remeasurement effect from demographic assumptions	(4,546)	(122)
Remeasurement effect from financial assumptions	(3,221)	4,742
Experience adjustment	442	2,611
Return on plan assets	(195)	(191)
Total remeasurement (gains)/losses in other comprehensive income	(7,520)	7,040
Total defined benefit (gains)/losses	(3,066)	10,421
Thereof for Ukrainian schemes	(2,987)	9,812
Thereof for Swiss scheme	(79)	599
Thereof for schemes in other jurisdictions	–	10

NOTE 22: PENSION AND POST-EMPLOYMENT OBLIGATIONS CONTINUED

The remeasurement gains for the year ended 31 December 2025 are primarily the effect from the remeasurement of demographic assumptions and financial assumptions, with a higher effect related to the demographic assumptions while in the comparative year ended 31 December 2024, the effects related to the remeasurement of financial assumptions and experience adjustments, with a higher effect related to the financial assumptions, resulting a net remeasurement loss.

The remeasurement gains from demographic assumptions as at 31 December 2025 are primarily due to a higher turnover expectation in the future whereas the gains related to the remeasurement effect from financial assumptions is attributable to the increase in the discount rate, both in Ukraine. The remeasurement losses as at the end of the comparative year ended 31 December 2024 were primarily attributable to the decrease in the discount rate and the future salary increase assumption, both in Ukraine, partially offset by the decrease in the inflation rate in Ukraine. The experience adjustment loss as at 31 December 2025 result from a higher effective salary increase in Ukraine than expected as at the end of the comparative year ended 31 December 2023.

Changes in the present value of the defined benefit obligation are as follows:

US\$000	Year ended 31.12.25	Year ended 31.12.24
Opening defined benefit obligation	27,037	20,199
Current service cost	1,116	979
Interest cost on defined benefit obligation	3,430	2,488
Remeasurement (gains)/losses	(7,325)	7,230
Contributions paid by employer	(2,007)	(1,829)
Contributions paid by employees	172	158
Benefits paid and net transfers through pension assets	(177)	40
Plan amendments	(63)	(45)
Translation differences	715	(2,183)
Closing defined benefit obligation	22,898	27,037
Thereof for Ukrainian schemes	16,150	21,236
Thereof for Swiss scheme	6,607	5,659
Thereof for schemes in other jurisdictions	141	142
Thereof for active employees	12,457	12,886
Thereof for vested terminations	4,482	8,583
Thereof for pensioners	5,959	5,568

Contributions to the defined benefit plans, including benefits paid by employer and employee contributions, are expected to be US\$2,024 thousand for the schemes in Ukraine and US\$246 thousand in Switzerland in the next financial year.

The expenses in relation to the defined contribution plan in the UK totalled US\$56 thousand (2024: US\$54 thousand).

Changes in the fair values of the plan assets are as follows:

US\$000	Year ended 31.12.25	Year ended 31.12.24
Opening fair value of plan assets	4,231	3,697
Interest income	46	56
Contributions paid by employer	424	388
Contributions paid by employees	172	158
Benefits paid and net transfers through pension assets	(177)	40
Return on plan assets	195	191
Administration cost	(18)	(16)
Translation differences	630	(283)
Closing fair value of plan assets	5,503	4,231
Thereof for Swiss scheme	5,503	4,231

NOTE 22: PENSION AND POST-EMPLOYMENT OBLIGATIONS CONTINUED

The asset allocation of the plan assets of the Swiss scheme is as follows:

%/US\$000	As at 31.12.25	As at 31.12.25	As at 31.12.24	As at 31.12.24
Scheme assets at fair value				
Equities	36.4	2,001	32.8	1,386
Bonds	25.3	1,390	29.6	1,254
Properties	17.3	950	16.7	705
Other	21.0	1,162	20.9	886
Fair value of scheme assets	100.0	5,503	100.0	4,231

The pension assets are included in a multiple-employer plan and no information in respect of the split of the investments into quoted and non-quoted assets are available. Taking into account the requirements of Swiss law, it is assumed that equities and bonds reflect investments into quoted assets with a portion of the other assets in the portfolio assumed to be investments into non-quoted assets.

Changes to interest rates and future salary increases in Ukraine are considered to be the main pension-related risks for the Group, as such changes are likely to affect the balance of the Group's defined benefit obligation. The percentage used to calculate the sensitivities was set under consideration of the volatility for these assumptions for the Ukrainian schemes and has also been applied for the Group's less material schemes in other jurisdictions.

Changes to the significant assumptions would have the following effects on the defined benefit obligation in the different jurisdictions:

US\$000	Year ended 31.12.25					
	Ukrainian schemes	Swiss scheme	Other jurisdictions	Ukrainian schemes	Swiss scheme	Other jurisdictions
	Increase by			Decrease by		
Change	1.0% or 1 year	1.0% or 1 year	1.0% or 1 year	1.0% or 1 year	1.0% or 1 year	1.0% or 1 year
Discount rate (%)	(932)	(940)	(7)	1,035	1,286	7
Future salary increases (%)	410	153	6	(403)	(140)	(7)
Local inflation (%)	61	–	n/a	(106)	(1)	n/a
Indexation of pension (%)	n/a	526	n/a	n/a	n/a	n/a
Life expectancy (years)	254	81	n/a	(306)	(82)	n/a

US\$000	Year ended 31.12.24					
	Ukrainian schemes	Swiss scheme	Other jurisdictions	Ukrainian schemes	Swiss scheme	Other jurisdictions
	Increase by			Decrease by		
Change	1.0% or 1 year	1.0% or 1 year	1.0% or 1 year	1.0% or 1 year	1.0% or 1 year	1.0% or 1 year
Discount rate (%)	(1,550)	(874)	(5)	1,757	1,217	6
Future salary increases (%)	611	165	5	(664)	(147)	(4)
Local inflation (%)	343	–	n/a	(487)	–	n/a
Indexation of pension (%)	n/a	476	n/a	n/a	n/a	n/a
Life expectancy (years)	403	73	n/a	(484)	(73)	n/a

Based on the Ukrainian pension legislation, the pension indexation is defined by the future salary increases and the local inflation rate. As a result of this, no sensitivity for the indexation of pension is calculated for the Ukrainian schemes, but the sensitivity for local inflation is used instead.

For the presentation of the effects of the changes of the significant assumptions shown in the table above, the present value of the defined benefit obligation has been calculated based on the projected unit credit method at the end of the reporting period, which is the same as the one applied for the calculation of the defined benefit obligation recognised in the statement of financial position as at the end of the respective reporting period. The methods and assumptions used for the sensitivity analysis for the prior year are unchanged.

NOTE 23: PROVISIONS

ACCOUNTING POLICY

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The provisions are classified in the Group's consolidated financial statements either as non-current or current, depending on the expected timing of the outflow of resources.

Site restoration

Site restoration provisions are made in respect of the estimated future costs of closure and restoration and for environmental rehabilitation costs (determined by an independent expert) in the accounting period when the related environmental disturbance occurs. The provision is discounted, if material, and the unwinding of the discount is included in finance costs. At the time of establishing the provision, a corresponding asset is capitalised where it gives rise to a future benefit and is depreciated over future production from the mine to which it relates. The provision is reviewed on an annual basis for changes in cost estimates, discount rates or the life of operations.

As at 31 December 2025, the provisions are classified as either non-current or current and comprised:

US\$000	As at 31.12.25				As at 31.12.24		
	Legal	Site restoration	Other	Total	Legal	Site restoration	Total
Opening balance	115,694	3,118	–	118,812	128,050	2,780	130,830
Unwind of the discount	–	449	–	449	–	436	436
Additions	–	822	285	1,107	–	311	311
Releases	–	(3)	–	(3)	–	(136)	(136)
Translation differences	(952)	(33)	–	(985)	(12,356)	(273)	(12,629)
Closing balance	114,742	4,353	285	119,380	115,694	3,118	118,812
Current	114,742	–	46	114,788	115,694	–	115,694
Non-Current	–	4,353	239	4,592	–	3,118	3,118

Site restoration

The costs of restoration of the different deposits in the Group's open pit mines are based on amounts determined by an independent and credited institute, taking into account the codes of practice and laws applicable in Ukraine. The useful lives of the different pits and mines are determined by the same institute based on expected annual stripping and production volumes, having taken into account the expected timing and effect of future mine-life extension programmes. It is expected that the restoration works of the GPL mine will start after the years 2050, 2055 and 2065 for the different areas within the mine. The first minor restoration work of the Yerstivske mine is expected to start for some dump areas after 2026, whereas the removal of equipment and the flooding of the pit will only begin at the end of the mine's life in 2048.

The provision represents the discounted value of the estimated costs of decommissioning and restoring the mines at the dates when the deposits are expected to be depleted in the relevant areas within the mine. The present value of the provision has been calculated in Ukrainian hryvnia using nominal pre-tax discount rates taking into account the beginning of the restoration work in the different areas of the mines, averaging at 14.0% (2024: 14.4%).

Uncertainties in estimating the provision include potential changes in regulatory requirements, decommissioning and reclamation alternatives, and the discount and inflation rates to be used in the calculations.

See Note 2 Basis of preparation in respect of the impact of climate change on the Group's financial statements.

Legal

In respect of ongoing court proceedings in Ukraine in respect of contested sureties, the Group recorded a full provision in the amount of UAH4,727 million (US\$111,518 thousand as at 31 December 2025) as at 31 December 2023. Although the management is of the opinion that this claim is without merit, a full provision was recorded, considering the magnitude of this specific claim and the risks associated with the judicial system in Ukraine, and was not released as at 31 December 2025. Given the uncertainties involved, it is not possible to determine the timing of the utilisation of this provision. As at the date of the approval of these consolidated financial statements, the court proceedings are ongoing. The next hearing is scheduled for 12 October 2026. The Group is subject to various ongoing legal proceedings and disputes, which require management to make significant estimates and judgements. Further details are provided in Note 30 Commitments, contingencies and legal disputes.

NOTE 24: ACCRUED AND CONTRACT LIABILITIES

ACCOUNTING POLICY

Accrued expenses are recognised for amounts to be paid in a future period for goods or services received, which have not been billed to the Group as at the end of the reporting period.

Contract liabilities consist of the portion of freight revenues under CIF and CFR Incoterms, which is deferred and recognised over time as the performance obligation is fulfilled, and released at the point of time when the freight services are completed. Contract liabilities are normally derecognised within 60 days after the reporting period.

NOTE 24: ACCRUED AND CONTRACT LIABILITIES CONTINUED

As at 31 December 2025, accrued and contract liabilities comprised:

US\$000	As at 31.12.25	As at 31.12.24
Accrued expenses	1,599	3,642
Accrued employee costs	14,046	14,897
Contract liabilities	2,172	4,436
Customer prepayments	1,811	6,440
Total accrued and contract liabilities	19,628	29,415

The contract liabilities are related to deferred freight-related revenue, for which the performance obligations had not been fulfilled as at the end of the years ended 31 December 2025 and 2024. For further information on the change in contract liabilities during the year ended 31 December 2025, see Note 6 Revenue.

NOTE 25: CASH AND CASH EQUIVALENTS

ACCOUNTING POLICY

Cash and cash equivalents include cash at bank and on hand and short-term deposits with original maturity of 90 days or less from inception. Cash at bank and on hand and short-term deposits are recorded at their nominal amount as these present an insignificant risk of changes in value.

As at 31 December 2025, cash and cash equivalents comprised:

US\$000	As at 31.12.25	As at 31.12.24
Cash at bank and on hand	58,447	105,919
Total cash and cash equivalents	58,447	105,919

The balance of cash and cash equivalents throughout the financial year 2025 and as at 31 December 2025 was affected by suspended VAT refunds in Ukraine as the Group had to reduce its forecast production plan for 2025, affecting its profitability and cash flow generation.

As disclosed in Note 35 Events after the reporting period, the banking license of the Group's transactional bank in Switzerland was revoked on 27 February 2026 and the bank has been ordered to liquidate by the Swiss Financial Market Supervisory Authority ("FINMA"). As a result, the balance held at this bank, totalling US\$2,971 thousand as at this date, was temporarily unavailable to the Group. This bank was used by the Group to make commercial payments outside of Ukraine and management has introduced alternative banking solutions to ensure the continuance of the Group's commercial payments outside of Ukraine. On 11 August 2026, the Group was informed by the bank that its liquidators have approved the payout of the withheld funds to another bank of the Group. Based on the information received, the Group expects to recover its deposit with this bank in full in the weeks following the approval of these consolidated financial statements.

The Group was in a net cash position as at 31 December 2025 and 2024. See Note 5 Segment information for further information.

The balance of cash and cash equivalents held in Ukraine amounted to US\$646 thousand as at 31 December 2025 (31 December 2024: US\$4,041 thousand). Despite the foreign exchange control measures imposed under martial law in Ukraine (see Note 30 Commitments, contingencies and legal disputes), this balance is fully available to the Group for its operations in Ukraine and is therefore not considered restricted.

NOTE 26: LEASE LIABILITIES

ACCOUNTING POLICY

Lease liabilities are initially measured at the present value of future lease payments, discounted using the interest rate implicit in the lease or, if unavailable, the lessee's incremental borrowing rate for similar leases. The change of the lease liabilities is the net effect of interest accrued over time, lease payments made, and additions to lease liabilities resulting from new leases entered into during the period. The principal elements of lease payments are presented in the consolidated statement of cash flows within financing activities and interest elements within operating activities. The carrying amount is subject to remeasurement in subsequent periods to reflect any lease modifications.

More detailed accounting policies regarding the specific treatment of lease agreements for land used for the direct extraction of iron ore and land not used for this purpose are set out in Note 14 Right-of-use assets.

As at 31 December 2025, the lease liabilities comprised:

US\$000	Notes	As at 31.12.25	As at 31.12.24
Current			
Lease liabilities	14	4,228	4,665
Total current lease liabilities		4,228	4,665
Non-current			
Lease liabilities	14	6,792	419
Total non-current lease liabilities		6,792	419
Total lease liabilities	27	11,020	5,084

NOTE 26: LEASE LIABILITIES CONTINUED

The lease liabilities recognised by the Group primarily relate to the 12-month period of lease agreements for land not used for the direct extraction of iron ore in Ukraine and to long-term rental contracts for several of the Group's office premises with rental periods of five to ten years.

With the exception of the lease liabilities shown below, the Group does not have any outstanding interest-bearing loans and borrowings as at 31 December 2025 and as at the end of the comparative year ended 31 December 2024.

The table below shows the movements in the lease liabilities:

US\$000	Year ended 31.12.25	Year ended 31.12.24
Opening balance of lease liabilities	5,084	6,948
Cash movements:		
Principal and interest elements of lease payments	(4,669)	(5,755)
Total cash movements	(4,669)	(5,755)
Non-cash movements:		
Additions to lease liabilities	10,653	4,174
Others (including translation differences)	(48)	(283)
Total non-cash movements	10,605	3,891
Closing balance of lease liabilities	11,020	5,084

The total cash outflow for leases during the financial year ended 31 December 2025 amounted to US\$5,333 thousand (2024: US\$6,477 thousand), of which US\$4,669 thousand relates to leases falling under the scope of IFRS 16 *Leases* (2024: US\$5,755 thousand).

During the financial year ended 31 December 2025, an expense in respect of short-term leases of US\$664 thousand (2024: US\$722 thousand) and interest expense on lease liabilities of US\$230 thousand (2024: US\$191 thousand) was recognised in the consolidated income statement during the financial year ended 31 December 2025, with the total effect included in the cash flow from operating activities.

Further information on lease-related commitments see Note 14 Right-of-use assets and Note 30 Commitments, contingencies and legal disputes.

NOTE 27: FINANCIAL INSTRUMENTS

ACCOUNTING POLICY

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

NON-DERIVATIVE FINANCIAL INSTRUMENTS

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings (including lease liabilities) and trade and other payables.

DERIVATIVE FINANCIAL INSTRUMENTS

Except for the provisionally priced receivables disclosed in Note 18 Trade and other receivables, the Group does not hold any derivative financial instruments.

For more information about the provisionally priced receivables see Commodity risk within this Note.

INITIAL MEASUREMENT

Non-derivative financial instruments

Financial assets and financial liabilities (excluding lease liabilities) are initially measured at fair value. Any transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities are added or deducted from its fair value except for financial assets and financial liabilities at fair value through the consolidated income statement. For those financial assets and financial liabilities, the transaction costs are recognised immediately in the consolidated income statement.

All regular way purchases and sales of financial assets are recognised on the trade date (i.e. the date that the Group commits to purchase or sell the asset). Regular way purchases or sales are those that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The subsequent measurement is based on the classification of the financial instruments.

SUBSEQUENT MEASUREMENT

Financial assets

Financial assets measured at amortised cost

Except for the provisionally priced receivables disclosed in Note 18 Trade and other receivables, the Group's financial assets are non-derivative with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the consolidated income statement when the financial assets are derecognised or impaired along with the amortisation process.

Financial liabilities

Trade and other payables

Trade and other payables are subsequently measured at amortised cost using the effective interest method.

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings (excluding lease liabilities) are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the consolidated income statement when the liabilities are derecognised as well as through the amortisation process. For the accounting policy of lease liabilities see Note 26 Lease liabilities.

NOTE 27: FINANCIAL INSTRUMENTS CONTINUED**IMPAIRMENT OF FINANCIAL ASSETS**

In addition to the individual assessment at each reporting date as to whether a financial asset or group of financial assets is impaired, the Group also assesses the expected credit losses on financial assets carried at amortised cost in accordance with the general approach. As all of the Group's financial assets carried at amortised cost are classified as current based on the agreed terms and conditions, the loss allowance is measured at an amount equal to the lifetime expected credit losses based on publicly available credit default ratings adjusted for current observable circumstances, forecast information and past history of credit losses.

This assessment is performed individually for all financial assets that are individually significant and collectively for those that are not individually significant and have similar credit risk characteristics. The carrying amount of the financial assets is reduced by an allowance account with the change of the allowance being recognised in the consolidated income statement.

Individual balances are written off when management deems that there is no possibility of recovery.

The accounting classification of each category of financial instruments and their carrying amounts are set out below:

		As at 31.12.25				
US\$000		Financial assets measured at amortised cost	Financial assets measured at fair value	Financial liabilities measured at amortised cost	Lease liabilities	Total
Financial assets						
Cash and cash equivalents	25	58,447	–	–	–	58,447
Trade and other receivables	18	32,287	1,436	–	–	33,723
Other financial assets		5,736	–	–	–	5,736
Total financial assets		96,470	1,436	–	–	97,906
Financial liabilities						
Trade and other payables	21	–	–	27,234	–	27,234
Accrued liabilities	24	–	–	15,645	–	15,645
Lease liabilities	26	–	–	–	11,020	11,020
Total financial liabilities		–	–	42,879	11,020	53,899

		As at 31.12.24				
US\$000		Financial assets measured at amortised cost	Financial assets measured at fair value	Financial liabilities measured at amortised cost	Lease liabilities	Total
Financial assets						
Cash and cash equivalents	25	105,919	–	–	–	105,919
Trade and other receivables	18	33,500	6,292	–	–	39,792
Other financial assets		5,215	–	–	–	5,215
Total financial assets		144,634	6,292	–	–	150,926
Financial liabilities						
Trade and other payables	21	–	–	55,781	–	55,781
Accrued liabilities	24	–	–	18,539	–	18,539
Lease liabilities	26	–	–	–	5,084	5,084
Total financial liabilities		–	–	74,320	5,084	79,404

FAIR VALUES AND IMPAIRMENT TESTING**Financial assets and other financial liabilities**

The fair values of cash and cash equivalents, trade and other receivables and payables are approximately equal to their carrying amounts due to their short maturity.

FAIR VALUE MEASUREMENTS RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

Except for the provisionally priced trade receivables (Level 2) disclosed in Note 18 Trade and other receivables, the Group does not have any financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3 based on the degree to which the fair value is observable. There were no transfers between Level 1 and Level 2 during the financial year 2025 and the comparative year ended 31 December 2024.

FINANCIAL RISK MANAGEMENT**Overview**

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk – including currency and commodity risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements. The Board has overall responsibility for the establishment and oversight of the Group's risk management framework.

NOTE 27: FINANCIAL INSTRUMENTS CONTINUED

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee and the CFO.

The Group operates a centralised financial risk management structure under the management of the Executive Committee, accountable to the Board.

The Executive Committee delegates certain responsibilities to the CFO. The CFO's responsibilities include authority for approving all new physical, commercial or financial transactions that create a financial risk for the Group. Additionally, the CFO controls the management of treasury risks within each of the business units in accordance with a Board-approved treasury policy.

FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT

Natural hedges that can be identified and their effectiveness quantified are used in preference to financial risk management instruments. Derivative transactions may be executed for risk mitigation purposes only – speculation is not permitted under the approved treasury policy – and are designed to have the effect of reducing risk on underlying market or credit exposures. Appropriate operational controls ensure operational risks are not increased disproportionately to the reduction in market or credit risk.

The Group has not used any financial risk management instruments that are derivative in nature, or other hedging instruments, in this or the comparative year.

CREDIT RISK

Trade and other receivables

The Group, through its trading operations, enters into binding contracts, which contain obligations that create exposure to credit, counterparty and country risks. It is the primary objective of the Group to manage such risks to reduce uncertainty of collection from buyers. A secondary objective is to minimise the cost of reducing risks within acceptable parameters.

Credit risk is the risk associated with the possibility that a buyer will default, by failing to make required payments in a timely manner or to comply with other conditions of an obligation or agreement. Where appropriate, the Group uses letters of credit to assist in mitigating such risks.

Counterparty risk crystallises when a party to an agreement defaults. Where letters of credit are used to minimise this risk, the Group uses a confirming bank with a similar or higher credit rating to mitigate country and/or credit risk of the issuing bank.

Country risk is the potential volatility of foreign assets, whether receivables or investments, which is due to political and/or financial events in a given country.

Group Treasury monitors the concentration of all outstanding risks associated with any entity or country, and reports to the Group CFO on a timely basis.

Investment securities

Outside Ukraine, the Group limits its cash exposure to credit, counterparty and country risk by only investing in liquid securities and with counterparties that are incorporated in an A+ or better "S&P" rated OECD country. A ratings approach is used to determine maximum exposure to each counterparty. Cash not required for production, distribution or capital expenditures is invested with counterparties rated by S&P or Moody's at a level of long-term B "S&P" or short-term A3 "S&P" or better with any exceptions subject to approval by the Board.

Recognising that the principal activities of the Group are predominantly in Ukraine, special consideration is given to Ukrainian transactional banking counterparties where the sector is small and constrained by the sovereign credit rating. Exceptions may be made under the following conditions:

- the counterparty is resident in Ukraine; and
- the counterparty is included in the top 15 financial institutions in Ukraine based on the Group's assessment of the financial institution.

Irrespective of the counterparty risk assessment above, the Group only uses subsidiaries of Western banks for transactional purposes unless required differently by law.

The Group is currently working with three banks in Ukraine, two of which are subsidiaries of Western banks, and is therefore exposed to Ukraine country and banking sector risk in this respect.

Guarantees

The Group's policy is to provide financial guarantees under limited circumstances only for the benefit of wholly owned or substantially wholly owned subsidiaries.

Exposure to credit risk

The carrying amount of financial assets at 31 December 2025 was US\$100,238 thousand (2024: US\$150,926 thousand) and represents the maximum credit exposure. See page 239 for further information.

Of the total maximum exposure to credit risk, US\$23,822 thousand (2024: US\$25,887 thousand) related to Ukraine.

The total outstanding receivables balance relating to the Group's top customers was US\$9,332 thousand as at 31 December 2025 (2024: US\$13,870 thousand), accounting for 28% (2024: 35%) of the total amounts receivable outstanding. The top customers are customers whose sales accounted for more than 10% of total sales in the current or the previous year. For more information on the Group's sales to top customers see Note 6 Revenue.

NOTE 27: FINANCIAL INSTRUMENTS CONTINUED

The Group's credit risk related to its customers depends primarily on the state of the global steel industry. In times of lower prices for steel products, the margins and cash flows of steel producers also fall, which could have an adverse impact on the Group's credit risk. The Group has not had any significant bad debts in the past and outstanding amounts are thoroughly reviewed and evaluated to mitigate the risk for such losses. The credit risk related to suppliers of equipment and services in Ukraine is still impacted by the heightened Ukrainian country risk due to the ongoing war. See the Principal Risks section on page 105 for additional information on the counterparty risks.

Impairment profile

The Group writes off individual balances when evidence indicates that the debtor is experiencing significant financial distress and there is no possibility of recovery. The Group's exposure to credit risk relating to trade and other receivables is disclosed in Note 18 Trade and other receivables.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will not have sufficient funds to meet its financial obligations as they fall due. The Group's objective is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both expected and stress-tested conditions, without incurring losses for the different counter parties or risking damage to the Group's reputation. As at the date of the approval of these consolidated financial statements, the Group does not have credit facilities, mainly due to the current situation in Ukraine. Since the start of the war, the conflict in Ukraine has had a significant impact on the Group's cash flow generation, which has been further exacerbated in 2025 due to the current circumstances facing Mr Zhevago. The war and legal actions against Mr Zhevago and, as a consequence, also against the Group are expected to continue during the financial year 2026 and to adversely affect the Group's cash flow generation. For further information see also the Group's going concern statement in Note 2 Basis of preparation and Note 30 Commitments, contingencies and legal disputes.

The Group prepares detailed rolling cash flow forecasts, which assist it in monitoring cash flow requirements and planning the allocation of cash. Typically, the Group intends to ensure that it has sufficient cash to meet expected operational expenses. Before the start of the war in Ukraine, the Group used uncommitted trade finance facilities to manage its short-term liquidity requirements. Trade finance generally refers to the financing of individual transactions or a series of revolving transactions and is often self-liquidating, whereby the lending bank stipulates that all sales proceeds to be collected are applied to settle the loan, with the remainder returned to the Group. Trade finance transactions are approved by the Group CFO and Group Treasurer. As at 31 December 2025, no trade finance facilities are available to the Group as a result of the ongoing war in Ukraine and the current circumstances facing Mr Zhevago.

Over the last 12 months, the Group's liquidity position has fluctuated significantly and declined, having been negatively impacted by rising input costs, lower iron ore prices and the absence of the once regular monthly VAT refunds in Ukraine. As at 31 December 2025, the Group's cash and cash equivalents amounted to US\$58,447 thousand (2024: US\$105,919 thousand), representing 30% of total current liabilities (2024: 50%).

In this context, with the objective of operating at a realistic and feasible level that supports the maintenance of key commercial relationships with customers, the Group must adjust its expenditures and therefore also its production level, affecting the level of sales and the timing of its cash collections, to continue to operate within the liquidity limits and capacities determined by the current constraints and to meet its financial obligations also during the financial year 2026 and beyond. This is an evolving situation that requires continuous monitoring and ongoing scenario analysis by Group management.

The Group actively monitors the sustaining and development capital expenditure, by allocating resources only to essential major projects. For further information see the Financial Review section on pages 59 and 60.

For further information see Note 26 Lease liabilities and the Group's Viability Statement on pages 116 to 118.

The following are the contractual maturities of financial liabilities:

US\$000	As at 31.12.25						Total
	Less than 1 year	Between 1 to 2 years	Between 2 to 3 years	Between 3 to 4 years	Between 4 to 5 years	More than 5 years	
Interest-bearing							
Lease liabilities	4,663	1,060	980	980	978	4,645	13,306
Total financial assets	4,663	1,060	980	980	978	4,645	13,306
Non-interest-bearing							
Trade and other payables	27,234	–	–	–	–	–	27,234
Accrued liabilities	15,645	–	–	–	–	–	15,645
Total non-interest-bearing	42,879	–	–	–	–	–	42,879
Total financial liabilities	47,542	1,060	980	980	978	4,645	56,185

US\$000	As at 31.12.24						Total
	Less than 1 year	Between 1 to 2 years	Between 2 to 3 years	Between 3 to 4 years	Between 4 to 5 years	More than 5 years	
Interest-bearing							
Lease liabilities	4,764	352	88	2	2	1	5,209
Total financial assets	4,764	352	88	2	2	1	5,209
Non-interest-bearing							
Trade and other payables	55,781	–	–	–	–	–	55,781
Accrued liabilities	18,539	–	–	–	–	–	18,539
Total non-interest-bearing	74,320	–	–	–	–	–	74,320
Total financial liabilities	79,084	352	88	2	2	1	79,529

NOTE 27: FINANCIAL INSTRUMENTS CONTINUED

CURRENCY RISK

The Group is exposed to currency risk on financial assets and liabilities resulting from sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group's subsidiaries, including the effects from outstanding intercompany balances. While the reporting currency of the Group is the US dollar, the functional currencies of the Group's subsidiaries are the Ukrainian hryvnia, US dollars, euro and Swiss francs, with the largest exposure in respect of the Ukrainian hryvnia.

The National Bank of Ukraine ("NBU") manages and determines the official exchange rates. An interbank market for the exchange of currencies exists in Ukraine and is monitored by the NBU. The Group, through financial institutions, exchanges currencies at bank offered market rates. Since the start of the conflict in Ukraine, the foreign exchange market in Ukraine is tightly managed by the NBU and there is currently a currency-control framework in place that limits the size and type of allowed foreign currency transactions.

The Group's currency risk can be split into three distinct categories: structural, transactional and translational risks.

Structural risk

The Group's revenues are structurally denominated in US dollars as the iron ore market is priced in US dollars based on daily indices, while the Group's production is located in Ukraine, with the Ukrainian hryvnia as the local currency.

Transactional risk

As mentioned above, the iron ore market is priced in US dollars. As a result, the Group's subsidiaries that sell to third party customers have the US dollar as reporting currency, so that the currency risk on these transactions are not relevant.

However, as the iron ore market is priced in US dollars, the Group's producing subsidiaries in Ukraine sell their products also in US dollars to the Group's sales subsidiary. Due to the different local functional currency in Ukraine, the US dollar denominated receivable balances from these sales are subject to exchange rate fluctuations of foreign currencies, which can be material. See Note 9 Foreign exchange gains and losses for further information.

With regards to purchase transactions, the legal entities within the Group face transactional currency risk, although in smaller value per transaction. The Group manages the risk through regular spot conversions rather than with derivatives that would cover in advance longer-periods. The rationale for the chosen approach is based on market studies and concrete experience, which show that hedging does not result in a significant economic advantage over non-hedging in the long term.

A depreciation of the Ukrainian hryvnia decreases the Group's operating costs in US dollar terms.

As at 31 December 2025, the Group does not have any outstanding interest-bearing loans and borrowings. In the past, the Group's external debt facilities were denominated in US dollars, which corresponded to the reporting currency of the Group's financial subsidiary and was therefore not exposed to any exchange rate fluctuations of foreign currencies. However, the Group's intercompany loans are generally denominated in US dollars and are subject to foreign currency exchange rate fluctuations. See Note 9 Foreign exchange gains and losses for further information.

Translational risk

The Group has foreign operations which do not have the US dollar as their functional currency. When the results and the statement of financial position of these operations are consolidated into the Group's accounts, the translated balances are exposed to changes of the local currencies to the US dollar.

The Group does not enter into any hedging transactions, which is in line with market practice for international companies.

The Group's exposure to foreign currency risk was as follows as at 31 December 2025:

US\$000	As at 31.12.25	As at 31.12.24
Total financial assets	97,906	150,926
Thereof exposed to Ukrainian hryvnia	–	–
Thereof exposed to US dollar	–	127
Thereof exposed to euro	567	504
Thereof exposed to Swiss franc	1,959	1,093
Thereof exposed to other currencies	207	800
Total exposures to currencies other than local functional currencies	2,733	2,524
Total financial liabilities	(53,899)	(79,404)
Thereof exposed to Ukrainian hryvnia	–	–
Thereof exposed to US dollar	(199)	(5,395)
Thereof exposed to euro	3,427	(449)
Thereof exposed to Swiss franc	(276)	(369)
Thereof exposed to other currencies	(151)	(900)
Total exposures to currencies other than local functional currencies	2,801	(7,113)

No other subsidiaries of the Group, apart from the Ukrainian subsidiaries, have financial assets and liabilities denominated in the Ukrainian hryvnia. The functional currency of the Ukrainian subsidiaries is the Ukrainian hryvnia and the translation of financial assets and financial liabilities denominated in the Ukrainian hryvnia does therefore not pose a foreign currency risk exposure in the consolidated income statement of the Group as translation differences are reflected in the translation reserve (see Note 31 Share capital and reserves).

NOTE 27: FINANCIAL INSTRUMENTS CONTINUED

INTEREST RATE RISK

Historically, the Group has borrowed bank funds that were predominantly at floating interest rates and was therefore exposed to interest rate movements. As at 31 December 2025, the Group does not have any significant balances of interest-bearing loans and borrowings. No interest rate swaps have been entered into in the current and prior years.

COMMODITY RISK

Revenues related to provisionally priced sales are initially recognised at the estimated fair value of the consideration receivable based on the forward price at each reporting date for the relevant period outlined in the different contracts. Consequently, the receivable balance may change in a future period when final invoices can be issued based on final iron ore prices to be applied according to the specific underlying contract terms. The provisionally priced iron ore exposure as at 31 December 2025 was 467,685 tonnes (2024: 573,291 tonnes) and gave rise to a fair value gain relating to the embedded provisional pricing mechanism of US\$509 thousand as at 31 December 2025 (2024: fair value loss of US\$1,065 thousand). Final iron ore prices based on the relevant index are normally known within 60 days after the reporting period. The difference between the provisionally priced receivable balance recognised as at 31 December 2025 and the receivable balance taking into account known final and latest forward prices is US\$442 thousand and would have decreased the consolidated result and the shareholders' equity by this amount (2024: decreased both by US\$760 thousand).

Where pricing terms deviate from the index-based pricing model, derivative commodity contracts may be used to swap the pricing terms to the iron ore index price.

Finished goods are held at cost without revaluation to a spot price for iron ore pellets at the end of the reporting period, as long as the recoverable amount exceeds the cost basis.

SENSITIVITY ANALYSIS

Foreign currency sensitivity analysis

A 20% weakening of the US dollar against the following currencies at 31 December would have increased/(decreased) the consolidated result and equity by the amounts shown below. The percentage applied to the sensitivity analysis of the Group's foreign currency exposure is based on the average change of the Ukrainian hryvnia, the Group's most relevant foreign currency, compared to the US dollar in past years, which might repeat again in the near future. This percentage was also applied for the Group's less relevant foreign currencies and does not have a significant effect on the total effect of this sensitivity analysis. This assumes that all other variables, in particular interest rates, remain constant.

	Year ended 31.12.25 Income statement/ equity	Year ended 31.12.24 Income statement/ equity
US\$000		
Ukrainian hryvnia	(33)	(878)
Euro	666	9
Swiss franc	281	121
Other	9	(17)
Total	923	(765)

A 20% strengthening of the US dollar against the above currencies would have an opposite effect totalling US\$1,383 thousand on the consolidated result and equity, on the basis that all the other variables remain constant.

US dollar denominated intercompany receivable and payable balances are not considered in the Group's sensitivity analysis as eliminated in the Group's consolidated financial statements. However, the possible exposure on these US dollar denominated balances held by the Ukrainian subsidiaries can be material, depending on the change of the Ukrainian hryvnia to the US dollar. Based on these net intercompany balances outstanding as at 31 December 2025, a 20% weakening of the Ukrainian hryvnia against the US dollar would have a positive impact of approximately US\$41,000 thousand (2024: approximately US\$69,000 thousand) on the consolidated result and equity. A 20% strengthening would have a negative impact of approximately US\$27,000 thousand (2024: approximately US\$46,000 thousand) on the consolidated result and equity. Further information on the actual foreign exchange gains and losses during the financial years 2024 and 2025, including those on US dollar denominated intercompany balances, are provided in Note 9 Foreign exchange gains and losses.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss and the Group does not hold any derivatives (e.g. interest rate swaps). Therefore, a change in interest rates at the reporting date would not affect the consolidated income statement.

Cash flow sensitivity for variable rate instruments

The Group's syndicated revolving pre-export facility was repaid in full during the financial year 2021, meaning the Group no longer has any borrowings at floating interest rates. As the Group is no longer exposed to interest rate fluctuations, the cash flow sensitivity for variable rate instruments is no longer prepared and disclosed.

CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base. The Board of Directors monitors both the demographic spread of shareholders, as well as the return on capital, which the Group defines as the level of dividends to ordinary shareholders over the total shareholders' equity, excluding non-controlling interests. Please refer to the statement of changes in equity for details of the capital position of the Group.

A key measure in respect of the Group's capital management is the level of net cash/(debt). The net cash position has decreased from US\$100,835 thousand at the beginning of the year to US\$47,427 thousand as at 31 December 2025. During the financial year 2025, the balance of the Group's available cash and cash equivalents was affected by suspended VAT refunds in Ukraine, as well as by the restrictions on the Group's production following the attacks on Ukraine's electricity infrastructure. The restrictions on the production did also have an indirect effect on inventories of finished iron ore pellets and concentrate and the outstanding trade receivables as at 31 December 2025. See Note 17 Inventories, Note 18 Trade and other receivables and Note 20 Other taxes recoverable and payable for further information.

NOTE 27: FINANCIAL INSTRUMENTS CONTINUED

Despite the lower net cash position as at 31 December 2025, the Group continued to demonstrate its resilience through these unprecedented and challenging times, demonstrating the management's ability to focus on adequately balancing the available liquidity, working capital requirements and overall business operation.

The capital base of the Group can be adversely affected by falls in the price of iron ore reducing reported revenues and profitability. The price that the industry earns for iron ore products is cyclical in nature and the Board of Directors continues to review its capital base in line with industry trends. The Board seeks to maintain a balance between the higher net returns that might be achievable through leverage and advantages and security provided by a low gearing and strong capital position.

Growth projects are approved under consideration of potential future market constraints, liabilities management across the Group's balance sheet and expected returns to shareholders.

The Board maintains a dividend policy consistent with the Group's profile, reflecting the investment activities the Group has made supporting current and future production growth and the cash generated by existing operations, while maintaining a prudent level of dividend distributions after an appropriate level of liquidity is ensured on an ongoing basis.

The Group has been subject to the currency control measures implemented by the National Bank of Ukraine ("NBU") under Martial Law since 24 February 2022, which limits the ability of the local Group companies to convert local currency into US dollars and settle cash flows between onshore and offshore accounts of the Group. The Group has implemented various measures to reduce the risk of fines that may arise from the currency control measures, but there exists legal uncertainty in the application of the currency control regulations during martial law in Ukraine. See Note 30 Commitments, contingencies and legal disputes for further information.

The Company is the Group's holding company, with no direct operating business, so its ability to make distributions to its shareholders is dependent on its ability to access profits held in the subsidiaries and on the available liquidity above the minimum ongoing buffer requirements determined by management and the Board. The Group's consolidated retained earnings shown in the consolidated statement of changes in equity do not reflect the profits immediately available for distribution in the Group as at 31 December 2025. See Note 12 Earnings per share and dividends paid and proposed for further information.

NOTE 28: SHARE-BASED PAYMENTS

ACCOUNTING POLICY

Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value of the award at the grant date using modelling techniques consistent with the mathematics underlying the Black-Scholes option pricing model extended to allow for the performance conditions. The fair value is determined by reference to the quoted closing share price on the grant date. The cost is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. In valuing equity-settled transactions, no account is taken of any vesting conditions, except for market conditions, such as the relative Total Shareholder Return ("TSR").

Where the vesting of awards is subject to the satisfaction of certain market conditions, a vesting charge is recognised irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied. Where awards terminate before the performance period is complete, any unamortised expense is recognised immediately.

At each reporting date, the cumulative expense of outstanding awards is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous reporting date is recognised in the consolidated income statement, with a corresponding entry in the employee benefit trust reserve in equity.

Long-term incentive plan ("LTIP")

The LTIP is a share-based scheme whereby certain senior management and executives receive rewards based on the relative TSR. The LTIP is subject to a performance condition based on the TSR compared to a comparator group, which operates in a similar environment, measured over the vesting period. Further description is provided in the Remuneration Report. The cost of equity-settled awards is measured as described above together with an estimate of future social security contributions payable in respect of this value.

The following number of share awards were granted under the LTIP in the previous financial years. The LTIP vesting period is three years.

Thousand	2025 LTIP	2024 LTIP	2023 LTIP	Total
Year ended 31.12.25	651	–	–	651
Year ended 31.12.24	–	837	–	837
Year ended 31.12.23	–	–	595	595

NOTE 28: SHARE-BASED PAYMENTS CONTINUED

The following expenses have been recognised during the financial years ended 31 December 2025 and 2024 in respect of the LTIP:

US\$000	2025 LTIP	2024 LTIP	2023 LTIP	2022 LTIP	2021 LTIP	Total
Year ended 31.12.25	133	142	67	89	—	431
Year ended 31.12.24	—	85	125	67	43	320

US\$000	Year ended 31.12.25 WAFV (US\$)	Year ended 31.12.24 WAFV (US\$)	Year ended 31.12.25 No. (000)	Year ended 31.12.24 No. (000)
LTIP				
Beginning of the year	0.84	1.80	1,538	941
Awards granted during the year	0.80	0.53	651	837
Awards vested during the year	2.33	4.77	(26)	(35)
Awards lapsed during the year	1.28	4.03	(234)	(156)
Awards forfeited during the year	1.88	2.26	(73)	(49)
Outstanding unvested awards at 31 December	0.83	0.84	1,856	1,538

All share awards that are potentially dilutive are considered in the calculation of diluted earnings per share. See Note 12 Earnings per share and dividends paid and proposed for further details. The weighted average remaining contractual life for the awards outstanding as at 31 December 2025 is 1.4 years (2024: 1.6 years).

The main inputs to the valuation of the 2025 LTIP awards were the share price at date of grant of US\$0.80 (2024 LTIP awards: US\$0.53). The 2025 and 2024 awards do not have any performance conditions other than remaining in employment, so that the volatility of the share price is no longer relevant for the outcome of the vesting.

As at 31.12.25									
	No. of awards outstanding	End of vesting period	WARCL (year)	Share price at the date of grant	Fair value of awards	% of vesting	No. of awards vested	Share price at data of exercise	No. of awards exercised
2022 LTIP awards	—	31 May 2025	—	2.33	1.54	8.20%	25,575	0.51	25,575
2023 LTIP awards	401,444	31 Dec 2025	—	1.65	1.12	—	—	—	—
2024 LTIP awards	810,700	1 Jun 2027	1.4	0.53	0.53	—	—	—	—
2025 LTIP awards	643,800	25 Mar 2028	2.2	0.8	0.8	—	—	—	—
Total / average	1,855,944		1.4						

As at 31.12.24									
	No. of awards outstanding	End of vesting period	WARCL (year)	Share price at the date of grant	Fair value of awards	% of vesting	No. of awards vested	Share price at data of exercise	No. of awards exercised
2021 LTIP awards	—	31 Dec 2024	—	4.81	3.83	16.80%	34,884	1.12	34,884
2022 LTIP awards	311,893	31 May 2025	0.4	2.33	1.54	—	—	—	—
2023 LTIP awards	406,644	31 Dec 2025	1.0	1.65	1.12	—	—	—	—
2024 LTIP awards	819,700	1 Jun 2027	2.4	0.53	0.53	—	—	—	—
Total / average	1,538,237		1.6						

NOTE 29: EMPLOYEES

Employee benefits expenses for the year ended 31 December 2025 consisted of the following:

US\$000	Notes	Year ended 31.12.25	Year ended 31.12.24
Wages and salaries		66,421	73,438
Social security costs		12,020	13,337
Post-employment benefits	22	1,126	998
Other employee costs		2,505	4,048
Share-based payments	28	431	320
Total employee benefits expenses		82,503	92,141

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

NOTE 29: EMPLOYEES CONTINUED

The table above includes compensation for Non-executive Directors, Executive Directors and other key management personnel as outlined below:

US\$000	Year ended 31.12.25			Year ended 31.12.24		
	Non-executive and Executive Directors	Other key management	Total	Non-executive and Executive Directors	Other key management	Total
Wages and salaries	3,028	2,015	5,043	3,319	2,249	5,568
Social security costs	194	171	365	188	66	254
Post-employment benefits	191	48	239	131	66	197
Share-based payments	90	114	204	73	105	178
Total compensation for key management	3,503	2,348	5,851	3,711	2,486	6,197

The average number of employees during the financial year 2025 is detailed in the table below:

Average number of employees	Year ended 31.12.25	Year ended 31.12.24
Production	4,344	4,598
Marketing and distribution	564	559
Administration	1,195	1,216
Other	275	296
Total average number of employees	6,378	6,669

NOTE 30: COMMITMENTS, CONTINGENCIES AND LEGAL DISPUTES

ACCOUNTING POLICY

Contingencies

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Commitments for the lease of mining land

The leases for land used for the extraction of iron ore are not within the scope of IFRS 16 *Leases* according to the exemptions specified in the standard and are disclosed as commitments for the lease of mining land.

COMMITMENTS

Commitments as at 31 December 2025 consisted of the following:

US\$000	As at 31.12.25	As at 31.12.24
Total commitments for the lease of mining land (out of the scope of IFRS 16)	53,647	54,948
Total capital commitments on purchase of property, plant and equipment	116,069	115,190
Commitments for investment in a joint venture	6,000	6,064

For further information on lease-related commitments see Note 14 Right-of-use assets and Note 26 Lease liabilities.

LEGAL

In the ordinary course of business, the Group is subject to various legal actions and ongoing court proceedings. There is a risk that the independence of the judicial system and its immunity from economic and political influences in Ukraine is not upheld, and consequently Ukrainian legislation might be inconsistently applied to resolve the same or similar disputes. See also the Principal Risks section on pages 103 to 106 for further information on the Ukraine country risk and Note 35 Events after the reporting period in terms of developments of ongoing court proceedings after the reporting period.

CRITICAL JUDGEMENTS

The Group is exposed to the risks associated with operating in a dynamic and adverse political landscape in Ukraine, which may or may not be exacerbated by the war and/or the current circumstances facing Mr Zhevago (see Ukraine country risk on pages 103 to 106). As a result, the Group is exposed to a number of risk areas that are heightened compared to those expected in a stable economy, such as an environment of political, fiscal and legal uncertainties, which require a significant number of critical judgements to be made by the management team, mainly in respect of the contested sureties claim, for which the provision recorded as at the end of the financial year ended 31 December 2023 still exists as at 31 December 2025, and the other matters listed under critical judgements below.

CRITICAL JUDGEMENTS FOR ONGOING LEGAL PROCEEDINGS AND DISPUTES WITH CORRESPONDING PROVISIONS

Contested sureties claim

On 7 December 2022, Ferrexpo Poltava Mining ("FPM") received a claim in the amount of UAH4,727 million (31 December 2025: US\$111,517 thousand; 31 December 2024: US\$112,443 thousand) in respect of contested sureties.

The claimant alleges that it acquired rights under certain loan agreements originally concluded between Bank F&C and various borrowers by entering into an assignment agreement with the State Guarantee Fund in November 2020. The claimant further claims that FPM provided sureties to Bank F&C to secure performance under these loan agreements.

A court of first instance in Ukraine made an award in favour of the claimant on 9 August 2023, which was upheld by the court of appeal on 26 January 2024. On 1 April 2024, the Supreme Court suspended the possible enforcement of the decision of the court of appeal against FPM.

NOTE 30: COMMITMENTS, CONTINGENCIES AND LEGAL DISPUTES CONTINUED

As at the date of the approval of these consolidated financial statements, the case is under review by the Supreme Court of Ukraine. Whilst several hearings have already been held, no substantive decision on the merits of the case has yet been made by the Supreme Court. On 1 May 2026, the court expanded the panel to 17 judges. The next hearing is scheduled for 12 October 2026.

Notwithstanding the two negative court decisions of the lower courts, based on independent legal advice obtained management remains of the view that the claim is without merit and FPM has compelling arguments to continue to defend its position before the Supreme Court.

However, considering the magnitude of this claim and the risks associated with the judicial system in Ukraine as further described above, a full provision in the amount of UAH4,727 million (US\$111,517 thousand as at 31 December 2025), which was recorded as at the end of the financial year ended 31 December 2023, remained as at 31 December 2025.

Notwithstanding that the underlying contested securities claim remains under review by the Supreme Court of Ukraine and the Supreme Court has suspended enforcement action against FPM pending the Supreme Court's decision, on 24 February 2026, a local court in Ukraine opened bankruptcy proceedings against FPM. For further details, see details below under Bankruptcy proceedings against Ferrexpo Poltava Mining ("FPM").

If the final ruling of the Supreme Court is against FPM, this would mean that FPM's bankruptcy process will continue, which could have a material negative impact on the Group's business activities and its ability to continue as a going concern. For further implications, see below under Bankruptcy proceedings against Ferrexpo Poltava Mining ("FPM").

If the FPM bankruptcy is cancelled but the Supreme Court later rules against FPM, the claimant will have two options: (i) to initiate bankruptcy of FPM once again or (ii) commence enforcement procedures through the involvement of bailiff. The commencement of enforcement procedures through the involvement of bailiff in such potential scenario in the future could have a material negative impact on the Group's business activities and its ability to continue as a going concern, as the assets of FPM could be seized or subject to a forced sale. The potential seizure or forced sale of FPM's assets, including moveable, immovable and financial assets, may have a material adverse impact on the Group's cash flow generation, profitability and available cash balance in future periods.

As at the date of the approval of these consolidated financial statements, it is not reasonably possible to assess the implications of a potential seizure or forced sale of assets on the Group's business activities, as the timing, scope and impact are unknown and outside of the Group's control. However, the Group has prepared a number of mitigating actions and responses within its control in order to seek to ensure continuation of production and generation of revenue streams. Beyond that, in case of an enforcement, FPM will challenge orders and enforcement actions in the court where possible, in order to seek to allow the Group to continue to trade and generate resources to meet its other liabilities as they fall due. See Note 2 Basis of preparation, Note 13 Property, plant and equipment and Note 17 Inventories for further information.

CRITICAL JUDGEMENTS FOR ONGOING LEGAL PROCEEDINGS AND DISPUTES WITHOUT CORRESPONDING PROVISIONS

Bankruptcy proceedings against Ferrexpo Poltava Mining ("FPM")

In connection with the ongoing legal dispute over the contested sureties, as disclosed above, in May 2025 the counterparty filed an application with the Commercial Court of Poltava Region to initiate bankruptcy proceedings against FPM. The court accepted this application and bankruptcy proceedings were opened on 24 February 2026.

As part of this ruling, the court has also appointed an insolvency manager over FPM. The existing FPM management team remains in place and continues to operate the business. This decision was made notwithstanding that the underlying legal dispute over the contested sureties between FPM and LLC "Maxi Capital Group" is still under review by the Supreme Court of Ukraine and the Supreme Court of Ukraine's order on 1 April 2024 to suspend enforcement in the contested sureties claim.

FPM filed an appeal against the decision to open bankruptcy proceedings. The first appeal hearing was heard on 9 April 2026, and the next hearing took place on 30 April 2026, when the panel of three judges declared a formal recusal from the case and a new panel of judges has been appointed. There were further hearings on 2 June 2026 and 27 July 2026. On 18 August 2026, the court of appeal in Kharkiv dismissed FPM's appeal against the ruling of the Commercial Court of Poltava Region dated 24 February 2026, which opened bankruptcy proceedings against FPM. On 21 August 2026, FPM filed a cassation appeal to the Supreme Court of Ukraine. However, the filing of an appeal, including a cassation appeal, does not suspend the ongoing bankruptcy proceedings.

Following the opening of bankruptcy proceedings against FPM, an insolvency manager has started to compile a list of creditor claims in accordance with Ukrainian regulations. Although the existing FPM management team currently remains in place and continue to operate the business, there are: (i) certain actions which the FPM management team's governing bodies cannot take without the consent of the insolvency manager (such as the receipt or granting of loans and the leasing of property); (ii) certain further actions which FPM's governing bodies are not authorised to take without the consent of the creditors' committee or the creditors' meeting, if the committee is not yet formed (such as entering into significant transactions where the market value amounts to 10 percent or more of the value of FPM's assets or disposal of FPM's material assets); and (iii) certain further actions which are FPM's governing bodies are not authorised to take at all during the property administration stage of the insolvency process (including the granting of loans, providing sureties or guarantees, disposal or granting of new encumbrances over real property and the payment of dividends). There also remains a risk that the court may, on its own initiative or upon motion of the parties, seek to terminate the powers of FPM's executive body and transfer the executive body's functions to the insolvency manager, which would result in the Company's loss of control of FPM. Loss of control of FPM would result in the Group being unable to manage its operations, receive cashflows from operations or prevent the distribution of assets to creditors of FPM.

The initial stage of bankruptcy proceedings is the stage of the debtor's property management. The court introduces it for up to 170 calendar days, but the court can further extend it. On 11 August 2026, the insolvency manager filed a motion with the Commercial Court of Poltava Region to extend the term of the property administration procedure. The property management procedure is intended to ensure supervision over the management and disposal of FPM's assets, with a view to their preservation and efficient use, to facilitate the assessment of FPM's financial position, and to determine the appropriate subsequent stage of the bankruptcy proceedings (rehabilitation or liquidation). Within the property management procedure framework, the insolvency manager is not selling the debtor's property to satisfy creditors' claims. Such an obligation arises for the insolvency manager at the next stages of bankruptcy proceedings – rehabilitation or liquidation, which are introduced by a court order at the final meeting of the property management procedure. Should the bankruptcy proceedings progress and FPM's appeal is not successful or heard in a timely manner, or if further adverse rulings are made notwithstanding FPM's on-going appeals, this could result in FPM entering into rehabilitation or liquidation stage resulting in a material negative effect on the Group's business, financial condition, results of operations and prospects.

NOTE 30: COMMITMENTS, CONTINGENCIES AND LEGAL DISPUTES CONTINUED

In particular, such risks may affect the Group's ability to continue as a going concern and its long-term viability. In the meantime, it is currently not possible to assess the potential impact of ongoing bankruptcy proceedings and their timing, as these depend on further court proceedings, which may extend over a considerable period of time.

Legal proceedings relating to Bank F&C

Shares freeze in relation to claim from the Ukrainian Deposit Guarantee Fund ("DGF")

On 3 March 2023, a court of first instance in Ukraine, while hearing the dispute between the DGF and Mr Zhevago in relation to the liquidation of Bank F&C in 2015 ("the main dispute"), ordered the arrest (freeze) of 50.3% of the shareholding of Ferrexpo AG ("FAG") in each of Ferrexpo Poltava Mining ("FPM"), Ferrexpo Yeristovo Mining ("FYM") and Ferrexpo Belanovo Mining ("FBM"). In addition to the restriction covering 50.3% of FAG's shareholding in each of FPM, FYM and FBM, the court order also contains a prohibition on Fevaminico S.a.r.l. disposing of its shares in Ferrexpo plc and Ferrexpo plc disposing of any of its shares in FAG. As at the date of the approval of these consolidated financial statements, the Group has no intention, and never has had any intention, of disposing of its shares in FPM, FYM, FBM or FAG. The Group does not expect an impact on its mining or other operations because of this court order.

The Group's subsidiaries affected by this court order, including FAG, have filed appeals to remove the restrictions. The court of appeal dismissed the appeals and the decision of the court of appeal was upheld by the Supreme Court of Ukraine on 10 January 2024. Therefore, the restrictions remain effective. On 31 July 2024, a court of first instance agreed to commence economic examination to be performed by an independent expert institution to assess the amount of damages of Bank F&C in the main dispute. The proceedings in the main dispute are suspended, until an expert opinion is received.

Based on advice from Ukrainian legal counsel, management considers that the court order dated 3 March 2023 to arrest (freeze) 50.3% of FAG's shareholding in each of FPM, FYM and FBM contravened Ukrainian law because the restricted 50.3% of corporate rights in the three Ukrainian subsidiaries are the property of FAG and not of any other person as a matter of Ukrainian law.

Shares freeze in relation to claim from the National Bank of Ukraine ("NBU")

In addition to the case initiated by the Ukrainian Deposit Guarantee Fund ("DGF") as described above, there is a commercial litigation in Ukraine between the NBU and Mr Zhevago in relation to a personal surety (guarantee) given by Mr Zhevago for a loan provided by the NBU to Bank F&C prior to Bank F&C's insolvency.

This claim reached a final decision of the Ukrainian courts in 2020, however the judgement debt was not satisfied by Mr Zhevago and the state bailiff imposed an arrest ("freeze") on the part of the corporate rights in the amount of 50.3% of the issued share capital of Ferrexpo Yeristovo Mining (FYM) and Ferrexpo Belanovo Mining (FBM) and two arrests ("freeze") of 49.3% of shares in Ferrexpo Poltava Mining (FPM).

The court of first instance was considering FAG's claim to cancel the arrest (freezing) order of the state bailiff in relation to 50.3% of the issued share capital of FYM and of FBM. After several hearings in 2025, the judge closed the proceedings during a hearing on 28 May 2025, effectively refusing FAG's claim to cancel the arrest (freezing) order. On 20 June 2025, FAG filed an appeal, which was rejected on 1 October 2025 by the court of appeal. On 29 October 2025, FAG filed a cassation appeal to the Supreme Court of Ukraine. The case is pending before the Supreme Court of Ukraine.

Another case to challenge two arrests ("freeze") of 49.3% of shares in FPM remains on-going and the next hearing by the Pecherskyi District Court of Kyiv is scheduled for 7 September 2026.

If the above enforcement processes are not interrupted, this could ultimately lead to a potential sale of shares representing 50.3% of the issued shares in each of FYM and FBM and 49.3% of the issued shares in FPM, notwithstanding that they are assets of the Group and not Mr Zhevago personally.

Shares freeze in relation to investigation in connection with Bank F&C

As disclosed in details in the 2024 consolidated financial statements, on 25 March 2024, the Group became aware of a court order dated 18 January 2024 regarding further restrictions on certain corporate rights concerning all of the Group's Ukrainian subsidiaries. According to the January 2024 court order these restrictions were imposed in September 2023 on 49.5% of the shares in all of the Group's Ukrainian subsidiaries, except for Nova Logistics LLC and TIS-Ruda LLC, an associated company of the Group, where the relevant percentages restricted are 25.2% and 24.7%, respectively. The Group understands the restrictions have been imposed in connection with ongoing investigations relating to Bank F&C.

The restrictions do not affect ownership of the relevant shares, but prohibit their transfer and restrict the right to exercise corporate rights otherwise attaching to such shares, including the right to vote. On 21 May 2024, FAG filed an appeal against the court order. On 30 January 2025, the court of appeal rejected FAG's appeal.

On 4 March 2025, the State Bureau of Investigation in Ukraine ("SBI") made a media statement that the Pecherskyi District Court of Kyiv has granted a request of the Prosecutor General's Office of Ukraine to transfer 49.5% of the corporate rights in Ferrexpo Poltava Mining ("FPM") held by Ferrexpo AG ("FAG") to Ukraine's Asset Recovery and Management Agency ("ARMA"). The statement also makes reference to the transfer to ARMA of corporate rights in a further 15 undisclosed legal entities.

The SBI statement notes that the transfer of the corporate rights in FPM is in connection with on-going legal cases in Ukraine relating to the alleged embezzlement of funds from Bank F&C, a Ukrainian bank previously owned by Mr Zhevago which was declared insolvent in 2015. Bank F&C has never been part of the Ferrexpo Group.

On 30 April 2025, ARMA announced the commencement of market consultations for the appointment of asset managers in respect of corporate rights and assets potentially to be transferred to ARMA. On 9 October 2025, ARMA announced the start of market consultations concerning the arrested 49.5% of corporate rights in FPM.

As at the date of the approval of these consolidated financial statements, no member of the Ferrexpo Group has received any official documents or requests from the Ukrainian authorities with regard to the decision of the Pecherskyi District Court of Kyiv and has not seen a copy of the court decision. The details of the court decision are therefore unclear at this stage.

Based on independent legal advice from Ukrainian counsel, management understands that FAG remains the 100% owner of FPM. Further to that, ARMA may enter into an agreement with a third party manager who might manage 49.5% of the corporate rights in FPM, but according to the current Ukrainian legislation such manager will need to obtain consent from FAG for any corporate actions.

NOTE 30: COMMITMENTS, CONTINGENCIES AND LEGAL DISPUTES CONTINUED

Based on the Law on ARMA, the manager is obliged to coordinate the exercise of assumed powers at the shareholders meeting with the owner of the shares unless an exception applies. This rule means that the manager cannot vote at the shareholders meeting on its own, but only with the consent of the owner, FAG.

Share freeze in relation to undisclosed investigation

During a routine verification of data on the Group's Ukrainian subsidiaries in the Ukrainian Companies Register carried out on 4 February 2026, it was discovered that the High Anti-Corruption Court of Ukraine ordered the arrest (freeze) of corporate rights in all of the Group's Ukrainian subsidiaries, except for LLC TIS-Ruda, in a criminal proceeding to which none of the Group companies are parties.

The court order was not published in the Ukrainian State Register of Court Decisions to preserve the confidentiality of the pre-trial investigation, and none of the Group companies received any order in connection with this arrest (freeze) of corporate rights. Details of the criminal case, including the percentage of corporate rights subject to the arrest (freeze), are therefore unavailable at this stage.

However, under Ukrainian law arrest (freezing) orders do not affect ownership of the relevant shares but typically prohibit their transfer and in addition may restrict the right to exercise corporate rights such as voting rights and the right to receive dividends.

Second share freeze in relation to another investigation in connection with Bank F&C

During a routine verification of data on the Group's Ukrainian subsidiaries in the Ukrainian Companies Register carried out in March 2026, it was discovered that the Pecherskyi District Court of Kyiv issued a new arrest (freeze) of corporate rights in the Group's Ukrainian subsidiaries in connection with the Bank F&C investigation on 23 December 2025.

This arrest applies to 49.5% of the corporate rights in the Group's Ukrainian subsidiaries. It relies on the mechanism of "Special Confiscation", a process under Ukrainian law which allows the State to seize assets directly linked to a criminal offence, including where the property is obtained as a result of the commission of the offence or income derived therefrom, property used as a tool or instrument of the offence, or property intended for financing the offence or as a reward for its commission. Special confiscation can extend to property owned by third parties, provided the owner knew or ought to have known of its origin or intended use in connection with the offence.

Execution of "Special Confiscation" requires a final court decision in the criminal proceedings but is not confined to a guilty verdict. Special confiscation may be ordered following a guilty verdict of the court; a court ruling closing the criminal proceedings on non-exonerating grounds, including release from criminal liability; or a ruling imposing criminal-law measures upon a legal entity. In each case this ruling can only occur after examination of the merits of the case, which has not yet occurred. The arrest (freeze) does not immediately affect ownership rights but may restrict voting rights, dividend rights and the ability to transfer shares. FAG has filed an appeal against the share freeze on 3 April 2026. The first appeal hearing took place on 19 May 2026 and a further hearing scheduled for 18 August 2026 was cancelled and postponed to 16 September 2026.

As at the date of the approval of these consolidated financial statements, the appeal proceedings remain ongoing.

Restrictions imposed by Swiss Office of the Attorney General over Ferrexpo AG ("FAG") shares

On 13 February 2026, the Swiss Office of the Attorney General issued a provisional order to the management bodies of Ferrexpo AG ("FAG") to prohibit FAG from issuing new shares and from consenting to the sale or transfer of existing shares in FAG.

The proceedings are based on a request for legal assistance from the National-Anti-Corruption Bureau of Ukraine ("NABU") to Switzerland made on 4 November 2025. The request for legal assistance states that the proceedings are based on the suspicion that Mr Zhevago, with the assistance of his lawyer, granted an unlawful advantage to the former president of the Supreme Court of Ukraine, in order to influence proceedings in the above-mentioned claim relating to the share sale and purchase agreement for a 40.2% stake in Ferrexpo Poltava Mining.

On 26 February 2026, FAG filed an appeal to the Swiss Federal Criminal Court against the aforementioned restrictions, which remains ongoing.

Currency control measures imposed in Ukraine

With the start of the Russian invasion of Ukraine on 24 February 2022, the Ukrainian government introduced Martial Law affecting, among other things, matters relating to lending agreements, foreign exchange and currency controls and banking activities.

As a result, the National Bank of Ukraine ("NBU") has introduced significant currency and capital control restrictions in Ukraine. These measures are affecting the Group in terms of its cross-border payments, which are restricted and may be made only in exceptional cases. The maximum period for settlement of invoices under export and import contracts was decreased as at 1 April 2022 from what was previously 360 days to 180 days.

Despite the partial relaxation of Ukrainian hryvnia controls in May 2024 around the regulatory framework specific to foreign currency transactions, intercompany settlements and transfers offshore for international Groups, the NBU maintains tight capital controls in Ukraine. These measures put additional pressure on the Group's liquidity management as the Ukrainian subsidiaries are currently not in a position to make significant cash transfers outside of Ukraine. As it is essential to the Group that sufficient liquidity is held outside of Ukraine to ensure that the Group's liabilities can be settled when falling due, intercompany receivable balances due to the Ukrainian subsidiaries have historically only been paid when falling due and after considering the local cash requirements for operating activities and capital expenditure programmes.

The lower operating activities and reduced capital expenditure programmes due to the ongoing war have reduced the local cash requirements and consequently increased the imbalance between payments to be made into Ukraine and local cash requirements. As a result of the imposed currency control measures, the Group has to carefully manage the payments to be made into Ukraine, as the local subsidiaries cannot transfer any surplus funds back to Group entities outside of Ukraine, if required.

Failure to comply with the currency control regulations can result in fines of 0.3% per day calculated on the cumulative overdue receivable balances with the maximum amount limited to the receivable balances. The Group has implemented various measures to mitigate the impact of the currency control regulations and reduce the risk of material fines, but there exists legal uncertainty in the application of the currency control regulations during the application of Martial Law in Ukraine. The currency control regulations may also be subject to change in the future (including with retrospective effect). Therefore, there was a risk that the Group may become subject to challenges from regulatory authorities in connection with the application of the regulations.

NOTE 30: COMMITMENTS, CONTINGENCIES AND LEGAL DISPUTES CONTINUED

In July 2026, the State Tax Service of Ukraine (“STS”) completed an unscheduled documentary in-house review of Ferrexpo Poltava Mining (“FPM”) in relation to compliance with currency control regulations concerning settlement deadlines under eleven import contracts and ten export contracts, primarily for the period between 1 July 2021 and 31 December 2025. Following the completion of this internal review, the STS issued its report on 14 July 2026, assessing penalties of approximately UAH35.3 billion (approximately US\$787 million as at the date of approval of these consolidated financial statements) for potentially alleged breaches of foreign currency settlement deadlines. FPM considers the review to be irregular on the grounds that it was conducted with multiple procedural violations and that the tax authority failed to consider relevant factual circumstances, including arbitration awards under several export contracts. Those awards procedurally preclude the imposition of penalties in respect of those contracts, which account for the majority of the penalties assessed.

FPM filed formal objections to the STS on 4 August 2026 in connection with the report received. On 17 August 2026, the Eastern Interregional Directorate of the STS issued an order providing for a further documentary on-site review of FPM, to commence on 14 September 2026, which is expected to take 15 working days, for the purpose of a comprehensive examination of the circumstances set out in FPM’s objections. FPM intends to challenge any potentially resulting tax notices-decisions before the Ukrainian courts. In that event, the assessed liabilities will remain unconfirmed and unenforceable pending a judicial review process and, as a consequence, no provision has been recorded as at 31 December 2025.

Share dispute

As disclosed in the 2024 consolidated financial statements, on 19 April 2023, the Grand Chamber of the Supreme Court ruled in favour of FAG in relation to the old shareholder litigation re-opened in 2020.

In May 2023, the National Anti-Corruption Bureau of Ukraine (“NABU”) and the Specialised Anti-Corruption Prosecutor’s Office (“SAPO”) accused the Head of the Supreme Court of Ukraine of bribery. These allegations made reference to the ruling made by the Supreme Court of Ukraine on 19 April 2023 and Mr Zhevago. Investigations by NABU and SAPO are underway into the conduct of the former Head of the Supreme Court and a lawyer who allegedly acted as the intermediary in the alleged bribery. On 3 August 2023, NABU announced that Mr Zhevago had been issued with a notice of suspicion in NABU’s and SAPO’s investigation. On 15 October 2025, the Appellate Chamber of the High Anti-Corruption Court granted permission to conduct a special pre-trial investigation.

On 8 June 2026, the High Anti-Corruption Court of Ukraine (“HAAC”) approved a plea agreement between SAPO and the former Head of the Supreme Court of Ukraine in connection with these allegations. On 9 June 2026, it was publicly announced that Mr Zhevago had been issued with a summons by NABU to appear on 16 June 2026 to receive the indictment and case materials in connection with these allegations.

A verdict from the HAAC that a judge has received a bribe for the favourable decision in the share dispute case (which verdict remains valid after any potential appeal), may entitle the claimants in the share dispute case to apply to the Supreme Court of Ukraine to review the ruling made by the Supreme Court of Ukraine on 19 April 2023. According to records at UK Companies House, all four claimants are currently subject to liquidation or dissolution proceedings.

If the share dispute case were to be reviewed by the Grand Chamber of the Supreme Court of Ukraine once again, based on advice from Ukrainian legal counsel, management remains of the view that FAG has compelling legal arguments to defend its position. However, more general concerns surrounding the independence of the judicial system and its immunity from economic and political influences in Ukraine means there remains a residual risk of a negative outcome.

A hypothetical reversal of the 19 April 2023 decision by the Grand Chamber of the Supreme Court would result in the loss of a significant proportion of the shareholding in the Group’s main operating subsidiary in Ukraine, which holds approximately 65% of the Group’s non-current operating assets, and would have a material adverse impact on the shareholders’ equity attributable to the shareholders of Ferrexpo plc. Due to the various uncertainties, it is currently not possible to reliably estimate the financial impact, but it could be material. A negative decision could also have an impact on potential future dividends from FPM to FAG and, as result, on the distributable reserves of Ferrexpo plc.

See Note 12 Earnings per share and dividends paid and proposed for further details.

No non-controlling interest has been recognised as at 31 December 2025 in respect of this dispute because FPM remains wholly owned by FAG as at the date of the approval of these consolidated financial statements. It is management’s view that a hypothetical reversal of the decision by the Grand Chamber of the Supreme Court will not cast significant doubt on the Group’s ability to continue as a going concern. However, such a decision might complicate the daily business of the Group’s major subsidiary in Ukraine.

OTHER ONGOING LEGAL PROCEEDINGS AND DISPUTES WITH CORRESPONDING PROVISIONS

Challenge of squeeze-out of minority shareholders

Following the completion of squeeze-out procedures in 2019 in respect of Ferrexpo Poltava Mining (“FPM”), two former minority shareholders challenged the valuation of the shares of FPM. This valuation formed the basis for a mandatory buy-out of minority shareholders according to Ukrainian law.

On 19 September 2023, a court of first instance ruled in favour of the two former minority shareholders and decided that FPM should pay UAH136 million (31 December 2025: US\$3,208 thousand; 31 December 2024: US\$3,235 thousand) in aggregate to the claimants. The court of appeal upheld this decision. Following an appeal by FPM, on 3 June 2024, the Supreme Court cancelled both decisions and referred the case back to a court of first instance for a new hearing.

The case was heard again by the Commercial Court of Poltava Region, which ruled on 10 April 2025 that an amount of UAH136 million should be paid to the two former minority shareholders. On 4 September 2025, a court of appeal rejected an appeal filed by FPM. In September 2025, FPM filed a cassation appeal to the Supreme Court. On 6 October 2025, the Commercial Court of Poltava Region issued orders to enforce its decision. On 7 October 2025, a private bailiff in Ukraine – acting upon the application of one of the two former FPM minority shareholders – opened enforcement proceedings and froze property of FPM to recover funds from FPM in the amount of UAH84 million. Subsequently, on 8 October 2025, the private bailiff was able to freeze bank accounts of FPM in an attempt to recover the funds. On 28 October 2025, the Supreme Court decided to open cassation appeal proceedings, scheduled the court hearing for 19 November 2025 and suspended the enforcement of the previous decisions. On 17 December 2025, the Supreme Court issued a ruling granting the cassation appeal of FPM and decided to return the case to a court of first instance for a new consideration. As a result of the Supreme Court decision, the enforcement proceedings were closed and the freezing of FPM bank accounts by the private bailiff was cancelled.

On 26 March 2026 the materials of the case were transferred for consideration in bankruptcy proceedings against FPM.

NOTE 30: COMMITMENTS, CONTINGENCIES AND LEGAL DISPUTES CONTINUED

In accordance with the requirements of IAS 37 Provisions, contingent liabilities and contingent assets, the Group recorded a full provision for the claimed compensation as at the end of the financial year ended 31 December 2023. No additional provision has been recorded as at 31 December 2025.

Second compensation claim for the squeeze-out of minority shareholders of FPM

On 28 August 2025, the Commercial Court of Poltava Region received a statement of claim from nine claimants seeking compensation for shares of FPM acquired in the squeeze-out procedure in the total amount of approximately UAH58 million (approximately US\$1,290 thousand).

On 14 October 2025, the court suspended proceedings in this case pending the final decision by the Supreme Court of Ukraine in challenge of squeeze-out of minority shareholders case described above.

OTHER ONGOING LEGAL PROCEEDINGS AND DISPUTES WITHOUT CORRESPONDING PROVISIONS

Royalty-related investigation and claim

On 8 February 2022, FPM received a tax audit report from the State Tax Service of Ukraine, which alleged the underpayment of iron ore royalty payments during the period April 2017 to June 2021 in the amount of approximately UAH1,042 million (US\$24,582 thousand as at 31 December 2025), excluding fines and penalties. On 11 August 2023, FPM received a tax notification decision, which alleged the underpayment of royalty payments in the amount of UAH1,233 million (US\$29,088 thousand as at 31 December 2025), which is higher than the amount initially stated in the tax audit report due to imposed fines. In November 2023, FPM filed a lawsuit to challenge the Ukrainian tax authorities' decision. On 15 April 2024, the court suspended the proceedings until the review of another case concerning the challenge of an individual tax consultation issued by the tax authority to FPM in another matter which is connected with royalty proceedings. The tax authority filed an appeal regarding the suspension of the case. As at the date of the approval of these consolidated financial statements, the court of appeal has not scheduled a hearing date for this appeal.

The Bureau of Economic Security of Ukraine started a royalty-related investigation and on 16 November 2022 conducted searches at FPM and FYM. On 3 February 2023, a notice of suspicion was delivered to a senior manager of FPM. Bail of UAH20 million (US\$547 thousand as at date of the payment) was approved by the court on 9 February 2023. Although the Group had no obligation to do so the bail amount was subsequently paid by the Group.

On 6 February 2023, the court arrested (froze) the bank accounts of FPM and FPM's appeal to cancel the arrest (freezing) of the bank accounts was not granted.

On 31 October 2023, a notice of suspicion was delivered to another senior manager of FPM. On 13 November 2023, a court of first instance approved the bail in the amount of approximately UAH800 million (US\$21,993 thousand as at that date) which was reduced by the court of appeal to UAH650 million (US\$15,335 thousand as at 31 December 2025). Although the Group had no obligation to do so, the Group subsequently made a partial payment of the bail in the amount of UAH50 million (US\$1,259 thousand as at date of the payment) and the case was transferred to a local court.

On 26 November 2024, the court cancelled the arrest of FPM's bank accounts at one of its Ukrainian banks. Several court hearings took place in 2025. On 13 August 2025, this royalty case was merged with the criminal transfer pricing case. On 13 March 2026, the court cancelled the bail in the amount of UAH5 million (approximately US\$113 thousand as at this date), which was returned to the Group's subsidiary on 26 March 2026. The next hearing is scheduled for 8 October 2026.

Based on independent legal advice obtained, it is management's view that FPM and FYM have compelling arguments to defend their positions in court and, as a consequence, no associated liabilities have been recognised by the Company in relation to the royalty claims in the consolidated statement of financial position as at 31 December 2025. However, as with other ongoing legal proceedings, there is a risk of a negative outcome.

Investigations on use of waste product and asset freeze

On 10 January 2023, the State Bureau of Investigations ("SBI") in Ukraine conducted several searches in respect of investigations into alleged illegal extraction of minerals ("rubble"). The National Police of Ukraine also carried out investigations in respect of the same matter and searched and collected samples of the rubble on 17 January 2023 at FPM.

The SBI and the National Police allege that from 2015 to 2021, FPM mined minerals of national importance, consisting of rock that lies above the iron ore (overburden), which it is alleged would require an additional extraction license. FPM's position is that the materials in question are waste products from iron ore processing, not separate mineral resources and, as such, no additional extraction licence is required. FPM also maintains that it has complied with applicable mining legislation. Sales of the rubble were subject to inspection by the State Service for

Geology and Subsoil of Ukraine for many years before the allegations and sales were suspended by the Group in September 2021 at the State Service's request.

On 29 June 2023, the SBI issued notices of suspicion to three senior management representatives and one divisional head of FPM for allegedly selling rubble without a permit. The individuals were detained and released following payments of bail totalling UAH122 million (US\$3,336 thousand as at date of the payment). Although the Group had no obligation to do so, the bail amount was subsequently paid by the Group. On 22 September 2023, the National Police of Ukraine searched the private residence of a senior manager of FPM, issued a further notice of suspicion, and detained the individual, who was released upon payment of bail of UAH400 million (US\$11,063 thousand as at date of the payment) after spending 38 days in detention. Although the Group had no obligation to do so, the bail amount was subsequently paid by the Group.

In the pre-trial investigation, a court of first instance issued an order to freeze FPM's rail wagons and railway access tracks. On 9 October 2023, certain real estate assets and transport vehicles of FPM were also frozen, however, this does not restrict their operational use. FPM appealed and sought further clarity from the court on the scope of the restrictions in relation to rail wagons, and on 30 October 2023, the court of appeal upheld the asset freeze but did not clarify the scope. On 22 April 2024, a court of first instance lifted the prohibition to use of rail wagons and access of the railway tracks, permitting FPM to use all rail wagons and access tracks. Currently, the freeze of FPM's rail wagons and railway access tracks does not restrict their operational use.

NOTE 30: COMMITMENTS, CONTINGENCIES AND LEGAL DISPUTES CONTINUED

In the same pre-trial investigation, some of the real estate assets and transport vehicles of FPM were also arrested, but this arrest does not restrict the use of these assets in FPM's operations. On 5 March 2024, FPM's bank accounts were frozen (with exceptions) except for essential payments, and FPM's subsequent appeal against this bank account freeze was rejected. On 29 April 2024, a court restricted the sale of FPM's mining licence, and FPM's subsequent appeal was rejected. The restriction on the sale of FPM's mining licence does not affect mining operations. The freeze of the bank accounts does not affect mining operations because FPM has opened other operational bank accounts since the freeze. As at the date of approval of these consolidated financial statements, FPM has no intention of selling its mining licence.

First criminal case initiated by the SBI

On 19 December 2024, the criminal case involving allegations of rubble mining and sale initiated by the SBI was transferred by the Supreme Court of Ukraine to a local court in Horishni Plavni. At a preparatory hearing on 5 March 2025, a judge refused to decrease the bail for FPM's Head of the Management Board. In June 2025, a judge considered whether to merge this case with the royalty case and decided against the merger. At a court hearing on 8 April 2026 FPM received information that the State Service of Geology and Subsoil of Ukraine filed a civil claim seeking joint liability of FPM, its Head of the Management Board and other individuals for damages amounting to UAH79 million (approximately US\$1,864 thousand). On 7 May 2026, the civil proceedings brought by the State Service for Geology and Mineral Resources of Ukraine were suspended pending the rectification of the deficiencies. The next hearing is scheduled for 15 September 2026.

Second criminal case initiated by the National Police

On 15 January 2025, the Office of the Prosecutor General announced that the National Police had completed the pre-trial investigation in the second criminal matter involving allegations of rubble mining and sale and the case was sent to a court of first instance. On 4 February 2025, FPM received notice of a civil claim seeking joint liability of FPM and its Head of the Management Board for UAH157 billion (approximately US\$3.7 billion as at 31 December 2025) in favour of the Ukrainian state. The claim alleges illegal sale of waste products and, more recently, illegal mining and sale of subsoil, resulting in environmental damage. FPM rejects these allegations on the basis it has complied with the requirements of its mining licence.

During a hearing on 5 March 2025, the arrest (freezing) of FPM bank accounts at one of its Ukrainian banks was cancelled. On 16 June 2025, there was a hearing to consider whether to merge this rubble case with the royalty case and the court decided against the merger. The case was transferred to a new judge to consider from the beginning. By a court ruling dated 7 May 2026 the court partially satisfied FPM's motion. The arrest was partially lifted and FPM was allowed to register ownership and proceed with the permitting documentation on commissioning and certification of the press filtration complex. However, the prohibition on the disposal or sale of the complex remains in effect. On 31 August 2026, the court lifted the prohibition against amending FPM's mining licence. The next hearing is scheduled for 12 October 2026. Based on independent legal advice from Ukrainian counsel, management understands that proceedings may last several years.

As at the date of approval of these consolidated financial statements, neither the criminal nor civil claims constitute a legal obligation under Ukrainian law. Further, even if a court in Ukraine were to conclude that FPM has caused a damage to the environment, the quantum of this claim, which is wholly disproportionate, has not been explained. In the circumstances, it is management's position that no reliable estimate of the potential future outflow or merits can be made as at the date of approval of these consolidated financial statements. As a consequence, no provision was recorded as at 31 December 2025 (2024: no provision recorded) in accordance with IAS 37 *Provisions, contingent liabilities and contingent assets*. See Note 2 Basis of preparation for potential impacts on the Group's ability to continue as a going concern.

Ecological claims

As described in detail in the 2023 Annual Report and Accounts, the State Ecological Inspection carried out an inspection of Ferrexpo Yeristovo Mining ("FYM") in September 2021 and, on 1 October 2021 issued an order to remedy a number of alleged violations of environmental rules. After the court of first instance ruled in favour of FYM on 19 July 2022, the State Ecological Inspection filed an appeal. The court of appeal returned the appeal claim to the State Ecological Inspection.

There had been no actions in respect of this dispute until 5 October 2023, when the National Police of Ukraine conducted a review of FYM's land plots. There have been no further developments since then and it is not possible at present to anticipate future developments in this case.

Based on independent legal advice obtained, it is management's view that FYM has strong arguments to defend its position in the court, and, as a consequence, no associated liabilities have been recognised in the consolidated statements of financial position as at 31 December 2025 and 2024 in relation to these matters.

Cancellation of licence for Galeschynske deposit

On 24 June 2021, an Order of the President of Ukraine was published on the official website of the President (the "Order"), which enacted the Decision of the National Security and Defence Council of Ukraine on the application of personal special economic and other restrictive measures and sanctions (the "Decision"). Ferrexpo Belanovo Mining ("FBM") is included in the list of legal entities which are subject to sanctions pursuant to the Decision. The Order and the Decision do not provide any legal ground for the application of sanctions. The sanction imposed on FBM is the cancellation of the mining licence for the Galeschynske deposit, which is one of two licences held by FBM.

On 15 November 2021, FBM filed a lawsuit with the Supreme Court of Ukraine partially to annul the Order. On 28 January 2025, the Grand Chamber of the Supreme Court made a final decision to reject FBM's claim and FBM filed a claim to the European Court of Human Rights in May 2025.

The Galeschynske deposit is a project in the exploration phase that is situated to the north of the Group's active mining operations. Following the cancellation of this licence, all capitalised costs associated with this licence totalling approximately US\$3,439 thousand, were written off in the financial year ended 31 December 2021.

In parallel, following the termination of the Galeschynske subsoil-use permit by the State Service of Geology and Subsoil of Ukraine on 5 July 2021, on 16 November 2021, FBM filed a claim challenging the termination. FBM filed an appeal against this rejection on 1 December 2025 which was declined by the court of appeal on 11 May 2026 and FBM filed a cassation appeal. On 15 June 2026, the Supreme Court of Ukraine opened cassation proceedings and the date of the next hearing is currently unknown.

NOTE 30: COMMITMENTS, CONTINGENCIES AND LEGAL DISPUTES CONTINUED

Announcement of the State Bureau of Investigation in Ukraine ("SBI") regarding a potential claim to nationalise 49.5% of shares in FPM

On 20 February 2025, the SBI made a media announcement regarding a potential claim to the High Anti-Corruption Court of Ukraine ("HACC") to nationalise 49.5% of shares in Ferrexpo Poltava Mining ("FPM") and certain of its assets. As at the date of approval of these financial statements, FPM has not received a formal notification of such a claim. Further to that, under Ukrainian laws, the SBI has no authority to petition, bring claims or make proposals (both on nationalisation or application of any asset-confiscation sanction) to the HACC and the proper authority should be the Ministry of Justice of Ukraine.

Litigations regarding suspension of VAT refunds

Following the personal sanctions imposed by Ukrainian authorities on Mr Zhevago on 12 February 2025, the Group's subsidiaries in Ukraine have not been receiving VAT refunds since March 2025.

From March 2025, Ferrexpo Poltava Mining ("FPM") and Ferrexpo Yeristovo Mining ("FYM") started to receive on a monthly basis notifications from the State Tax Service of Ukraine ("STS") of a decision to suspend the VAT refunds for each month, when VAT was claimed for refund.

FPM filed claims against the STS in 2025 and 2026 in relation to the suspended VAT refunds for the months of January 2025 to December 2025 (inclusive) and February 2026. FYM filed claims against the STS in 2025 and 2026 in relation to the suspended VAT refunds for January, February, March, April, May, July and November 2025.

On 11 February 2026, FPM received its first favourable decision from the Supreme Court of Ukraine in relation to the VAT refund for the month of February 2025 for UAH230 million (approximately US\$5,426 thousand as at 31 December 2025). However, no VAT amount has yet been refunded to FPM. FPM has filed a claim seeking recovery of this VAT amount. On 28 July 2026 the court of first instance satisfied FPM's claim to recover this VAT amount from the State Treasury Service of Ukraine. The State Treasury Service of Ukraine may file an appeal.

In FPM and FYM litigations in relation to VAT refunds for other months, the courts of first instance, with the exception of one unfavourable decision, and in certain cases the courts of appeal made favourable decisions; however, these matters have not yet been subject to review by the Supreme Court of Ukraine.

On 22 May 2026, the decisions of the court of first instance to satisfy FPM's claim in relation to the VAT refund for January 2025, and FYM's claim in relation to the VAT refund for February 2025, were cancelled on appeal from the tax authority. On 3 June 2026, the decision of the court of first instance to partially satisfy FPM's claim in relation to the VAT refund for April 2025 was cancelled on appeal from the tax authority. On 14 July 2026, the decisions of the court of first instance to satisfy FYM's claim in relation to the VAT refund for March 2025 and May 2025 were cancelled on appeals from the tax authority. On 11 August 2026, the court of first instance denied FYM's claim in relation to the VAT refund for July 2025. See Note 20 Other taxes recoverable and payable with regard to the critical estimates made by management in respect of the recoverability of the outstanding and overdue VAT balances in Ukraine.

The Group is continuing to progress various claims in the Ukrainian courts relating to VAT refunds for FPM and FYM.

The suspension of VAT refunds has had and continues to have a material impact on the Group's cash flow and liquidity and may affect its ability to continue as a going concern.

Despite some positive court rulings, no VAT has been refunded yet by the STS. It is reasonably expected that VAT refunds could potentially resume only following the lifting of personal sanctions imposed on Mr Zhevago or when Ukrainian authorities comply with final favourable court decisions or if the Tax Code is amended to remove such restriction.

As disclosed in Note 35 Events after the reporting period, the Group's subsidiaries received in May, June and July 2026 five negative decisions from the court of appeal in respect of five monthly VAT refund claims, for which the refunds of individual monthly claims made in the past were refused by the tax authorities. These negative decisions received in 2026 relate to legal proceedings that commenced in 2025 and are therefore treated as adjusting events after the reporting period when preparing these consolidated financial statements for the year ended 31 December 2025. See Note 20 Other taxes recoverable and payable for further details.

As at 31 December 2025, VAT refunds in the aggregate amount of UAH2,599 million (US\$61,315 thousand at this date) were suspended by the STS. The absence of VAT refunds does have a material impact on the Group's cash flow generation and available cash balance and, as a consequence, on the Group's ability to continue as a going concern. See Note 2 Basis of preparation for further details.

TAXATION

Tax legislation

As disclosed in Note 11 Taxation, following the completion of tax audits in respect of its cross-border transactions, the Group's major subsidiaries, Ferrexpo Poltava Mining ("FPM") and Ferrexpo Yeristovo Mining ("FYM"), received tax claims in the amount of UAH2,162 million (US\$51,005 thousand as at 31 December 2025), including fines and penalties, and UAH259 million (US\$6,110 thousand as at 31 December 2025). The Group's subsidiaries filed objections to be considered by the tax authorities, although these were rejected. Subsequently, the Group's subsidiaries filed claims with the courts. In both disputes, the court ordered a judicial economic examination and suspended the proceedings. As at the date of the approval of these consolidated financial statements, proceedings in the FPM dispute remain suspended, and proceedings in the FYM dispute resumed on 9 June 2026. At a hearing on 8 July 2026, the court of first instance ordered a judicial economic examination and adjourned the proceedings once again. On 24 July 2026, the tax authority filed an appeal against that ruling and a hearing is scheduled for 16 September 2026.

In addition, two criminal cases are ongoing in relation to transfer pricing matters. On 13 August 2025, one of these criminal transfer pricing cases was merged with the royalty-related case. No provisions have been recorded as at 31 December 2025 and 2024, either for the claims received or for any subsequent years. If FPM and FYM are ultimately unsuccessful, the tax claims may be material, although it is not possible at present to reliably quantify the potential exposure. An unfavourable outcome would have an adverse impact on the Group's cash flow generation, profitability and liquidity. See Note 11 Taxation and also the Principal Risks section on pages 103 to 106 in terms of the Ukraine country risk.

NOTE 31: SHARE CAPITAL AND RESERVES

ACCOUNTING POLICY

Ordinary Shares

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of Ordinary Shares and share options are recognised as a deduction from equity, net of any tax effects.

Employee benefit trust reserve

Ferrexpo plc shares held by the Group are recognised at cost and classified in reserves. Consideration received for the sale of such shares is also recognised in equity, with any difference between the proceeds from the sale and the original cost to be recorded in reserves. No gain or loss is recognised in the consolidated income statement on the purchase, issue or cancellation of equity shares.

Treasury shares

Own equity instruments, which are reacquired (treasury shares), are recognised at cost and deducted from equity and represent a reduction in distributable reserves. No gain or loss is recognised in the consolidated income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognised in retained earnings.

Translation reserve

The translation reserve represents exchange differences arising on the translation of non-US dollar functional currency operations within the Group, mainly those in Ukrainian hryvnia, into US dollars.

SHARE CAPITAL

Share capital represents the nominal value on issue of the Company's equity share capital, comprising £0.10 Ordinary Shares. The issued and fully paid share capital of Ferrexpo plc at 31 December 2025 was 613,967,956 Ordinary Shares (2024: 613,967,956) at a par value of £0.10 paid for in cash, resulting in share capital of US\$121,628 thousand (2024: US\$121,628 thousand) per the statement of financial position. The interest of the Group's largest shareholder, Fevamotoinico S.a.r.l., in voting rights of Ferrexpo plc is 49.3% as at the date of this report (49.3% as at the time of publication of the 2024 Annual Report and Accounts). There is no authorised share capital limit.

Each ordinary share carries one vote at general meetings of the Company on a vote conducted by way of poll. Holders of ordinary shares are entitled to receive dividends as declared from time to time and, in the event of liquidation, to share in the surplus assets of the Company after settlement of liabilities. There are no restrictions on the distribution of dividends or the repayment of capital other than those imposed by applicable law.

Further information in terms of rights, preferences and restrictions associated with the Company's ordinary shares are provided in the Directors' Report on page 183.

As at 31 December 2025, other reserves attributable to equity shareholders of Ferrexpo plc comprised:

US\$000	Uniting of interest reserve	Treasury share reserve	Employee benefit trust reserve	Translation reserve	Total other reserves
At 1 January 2024	31,780	(48,260)	(16,224)	(2,643,590)	(2,676,294)
Foreign currency translation differences	–	–	–	(136,902)	(136,902)
Tax effect	–	–	–	3,972	3,972
Total other comprehensive loss for the year	–	–	–	(132,930)	(132,930)
Share based payments	–	–	320	–	320
At 31 December 2024	31,780	(48,260)	(15,904)	(2,776,520)	(2,808,904)
Foreign currency translation differences	–	–	–	(4,587)	(4,587)
Tax effect	–	–	–	320	320
Total other comprehensive loss for the year	–	–	–	(4,267)	(4,267)
Share based payments	–	–	431	–	431
At 31 December 2025	31,780	(48,260)	(15,473)	(2,780,787)	(2,812,740)

UNITING OF INTEREST RESERVE

The uniting of interest reserve represents the difference between the initial investment by Ferrexpo AG in Ferrexpo Poltava Mining to gain control of the subsidiary in 2005 and the net assets acquired, which under the pooling of interests method of accounting are consolidated at their historic cost, less non-controlling interests.

TREASURY SHARE RESERVE

In September 2008, Ferrexpo plc completed a buy-back of 25,343,814 shares for a total cost of US\$77,260 thousand. During the financial year ended 31 December 2023, the Group transferred 9,513,000 shares from the treasury shares reserve to the Group's employee benefit trust reserve, resulting in 15,830,814 shares remaining in the treasury share reserve as at 31 December 2025 (2024: 15,830,814 shares). These shares are currently held as treasury shares by the Group. The Companies Act 2006 forbids the exercise of any rights (including voting rights) and the payment of dividends in respect of treasury shares.

EMPLOYEE BENEFIT TRUST RESERVE

This reserve represents the treasury shares held to satisfy future grants for senior management incentive schemes. Information on the Group's share-based payments is provided in Note 28 Share-based payments. As at 31 December 2025, the employee benefit trust reserve includes 9,741,183 shares (2024: 9,766,759 shares).

TRANSLATION RESERVE

The Ukrainian hryvnia devalued marginally from 42.039 to 42.388 compared to the US dollar during the year ended 31 December 2025. A devaluation of the local currency can result in significant reduction of the Group's net assets as assets and liabilities of the Ukrainian subsidiaries are denominated in the local currency and the effect from the translation is reflected in the translation reserve. An opposite effect can result in case of an appreciation of the local currency in Ukraine. See also the consolidated statement of comprehensive income on page 201.

NOTE 32: CONSOLIDATED SUBSIDIARIES

ACCOUNTING POLICY

Entities are included in the consolidated financial statements from the date of obtaining control and the inclusion in the consolidated financial statements is consequently ceased when the control over an entity is lost. Control is obtained when the Group is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee that gives the current ability to direct the relevant activities. Control can be obtained through voting rights, but also through agreements, statutes, contracts, trust deeds or other schemes.

Non-controlling interests in the net assets of consolidated subsidiaries are shown separately in the Group's consolidated statement of financial position and consolidated statement of changes in equity. The share of the profit attributable to non-controlling interests is shown in the consolidated income statement and the consolidated statement of comprehensive income. The carrying amount of the non-controlling interests is adjusted for any change in ownership interest to reflect the relative controlling and non-controlling interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in the equity attributable to equity shareholders of Ferrexpo plc.

The Group comprises Ferrexpo plc and its consolidated subsidiaries. The Group's interests in the entities are held indirectly by the Company, with the exception of Ferrexpo AG, which is directly held. All of the Group's major subsidiaries are wholly owned. The interests that non-controlling interests have in the Group's operations are not material and no significant judgements and assumptions were required to determine that the Group has control over these entities. The Group's consolidated subsidiaries are listed on page 265.

The Group does not have any other interests of 20% or more in undertakings that are not disclosed on page 265, except for the investment in the associate mentioned in Note 33 Investments in associates.

NOTE 33: INVESTMENTS IN ASSOCIATES

ACCOUNTING POLICY

The Group's investments in associates are accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus any post-acquisition changes in the Group's share of net assets of the associate, including the effects from profits or losses and dividends. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised nor individually tested for impairment. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's investment in the associate.

The share of profit from an associate is shown on the face of the consolidated income statement. This is the profit attributable to the Group and is therefore the profit after tax and non-controlling interests in the subsidiaries of the associate. The reporting dates of the associates and the Group are identical and the associates' accounting policies are generally in conformity with those applied by the Group.

The Group holds an interest of 49.9% (2024: 49.9%) in TIS Ruda LLC, operating a port on the Black Sea, which the Group uses as part of its distribution channel.

US\$000	Year ended 31.12.25	Year ended 31.12.24
Opening balance	6,350	4,616
Share of profit	486	2,314
Dividends declared	(288)	–
Translation adjustments	(45)	(580)
Closing balance	6,503	6,350

For the year ended 31 December 2025 the summarised financial information for the associate was as follows:

US\$000	Revenue		Net (loss)/profit	
	Year ended 31.12.25	Year ended 31.12.24	Year ended 31.12.25	Year ended 31.12.24
TIS Ruda LLC ¹	8,630	16,409	974	4,637

1. Based on preliminary and unaudited financial information.

The sales through the Black Sea port of Pivdennyi to the markets outside of Europe represented approximately half of the Group's sales prior to the Russian invasion of Ukraine in February 2022. As a result of the ongoing war in Ukraine, the Group's seaborne sales through the Ukrainian Black Sea ports were suspended at the beginning of the war, but resumed again during the comparative year ended 31 December 2024, albeit still at a significantly lower level. The situation remains very volatile and the level of TIS Ruda's operations is still difficult to reliably predict.

The figures in the table above represent 100% of the associate's revenue and net profit and not the Group's share based on its ownership. As at 31 December 2025, the associate's total assets were US\$16,744 thousand (2024: US\$16,498 thousand) and the total liabilities were US\$3,542 thousand (2024: US\$3,773 thousand) based on preliminary and unaudited statutory accounts. Any deviations from the Group's associate's equity based on the audited financial statements is adjusted subsequent to the year end once the audited financial statements are available.

NOTE 34: RELATED PARTY DISCLOSURES

During the years presented, the Group entered into arm's length transactions with entities under the common control of Mr Zhevago, with associated companies and with other related parties. Management considers that the Group has appropriate procedures in place to identify, control, properly disclose and obtain independent confirmation, when relevant, for transactions with the related parties.

Entities under common control are those under the control of Mr Zhevago. Associated companies refer to TIS Ruda LLC, in which the Group holds an interest of 49.9% (2024: 49.9%). See Note 33 Investments in associates for further details. This is the only associated company of the Group.

As disclosed in Note 35 Events after the reporting period, in connection with the planned fundraise, the Group intends to enter into a loan agreement with its largest shareholder, Fevamotinico S.a.r.l., shortly after the launch of the fundraise. Pursuant to this loan agreement, the largest shareholder will make available an unsecured loan facility in the principal amount of GBP22,500 thousand in order to pre-fund a portion of the amount payable by the shareholder under the Subscription Agreement in place. The loan bears interest determined at an arm's length basis and matures four months after the date of the loan agreement. The principal amount of the loan plus accrued interest is repayable the Group by way of set-off against the amounts owing by the shareholder under the subscription agreement. The terms and conditions of the loan have been reviewed by the Group's sponsor.

During the previous financial year ended 31 December 2024, the Group entered into a settlement agreement with Mr Zhevago relating to amounts potentially owing to Mr Zhevago under his CEO contract. Under this agreement, Mr Zhevago has agreed to fully set-off the cost of the accommodation paid for by the Group on his behalf against the sum potentially owed by the Group to him under the settlement agreement for the CEO contract, without any money being transferred between the parties involved. Further details are provided in Note 34 Related party disclosures included in the Group's 2024 Annual Report and Accounts.

All related party transactions entered into by the Group during the financial years presented and balances outstanding at the end of these financial years are summarised in the following tables, except for those with the Non-executive Directors and Executive Directors of Ferrexpo plc. Information on the Directors' fee payments made to the Non-executive Directors and Executive Directors is provided in the Remuneration Report on pages 172 to 180.

REVENUE, EXPENSES, FINANCE INCOME AND EXPENSE

US\$000	Year ended 31.12.25			Year ended 31.12.24		
	Entities under common control	Associated companies	Other related parties	Entities under common control	Associated companies	Other related parties
Other sales	253	–	–	302	–	–
Total related party transactions within revenue	253	–	–	302	–	–
Materials and services ^a	7,150	–	–	7,943	–	–
Spare parts and consumables ^b	1,498	–	–	3,151	–	–
Total related party transactions within cost of sales	8,648	–	–	11,094	–	–
Selling and distribution expenses ^c	2,058	5,467	–	5,683	11,950	–
General and administration expenses ^d	96	–	632	121	–	844
Other operating expenses ^e	207	–	–	203	11	–
Finance expense	–	–	–	1	–	–
Total related party transactions within expenses	11,009	5,467	632	17,102	11,961	844
Total related party transactions	11,262	5,467	632	17,404	11,961	844

A description of the most material transactions, which are in aggregate over US\$200 thousand in the current or comparative year, is given below.

Entities under common control

The Group entered into various related party transactions with entities under common control. All transactions were carried out on an arm's length basis in the normal course of business.

- a Purchases of oxygen, scrap metal and services from Kislod PCC for US\$698 thousand (2024: US\$1,048 thousand);
- a Purchases of cast iron balls from OJSC Uzhgorodsky Turbogaz for US\$5,562 thousand (2024: US\$5,506 thousand); and
- a Purchase of maintenance and construction services from FZ Solutions LLC for US\$849 thousand (2024: US\$1,257 thousand).
- b Purchases of spare parts from CJSC Kyiv Shipbuilding and Ship Repair Plant ("KSRSSZ") in the amount of US\$141 thousand (2024: US\$210 thousand);
- b Purchases of spare parts from OJSC Uzhgorodsky Turbogaz in the amount of US\$859 thousand (2024: US\$1,153 thousand);
- b Purchases of spare parts from FZ Solutions LLC of US\$30 thousand (2024: US\$469 thousand);
- b Purchases of spare parts from Kislod PCC in the amount of US\$172 thousand (2024: US\$329 thousand); and
- b Purchases of spare parts from Valsa GTV of US\$289 thousand (2024: US\$982 thousand).
- c Purchases of advertising, marketing and general public relations services from FC Vorskla of US\$2,057 thousand (2024: US\$5,681 thousand).
- e Purchase of marketing services from TV & Radio Company of US\$195 thousand (2024: US\$201 thousand).

Associated companies

The Group entered into related party transactions with its associated company, TIS Ruda LLC, which were carried out on an arm's length basis in the normal course of business for the members of the Group (see Note 33 Investments in associates).

- c Purchases of logistics services in the amount of US\$5,467 thousand (2024: US\$11,950 thousand) relating to port operations, including port charges, handling costs, agent commissions and storage costs. The scope and the volume of the services procured from TIS Ruda is impacted by the volume of the Group's seaborne sales through the port of Pivdennyi, which depends on the margins to be expected in the various markets. See Note 33 Investments in associates for further information.

Other related parties

The Group entered into various transactions with related parties other than those under the control of Mr Zhevago. All transactions were carried out on an arm's length basis in the normal course of business.

- d Legal and administrative services in the amount of US\$506 thousand (2024: US\$657 thousand) provided by Kuoni Attorneys at Law Ltd., which is controlled by a member of the Board of Directors of one of the subsidiaries of the Group. The Directors' fees paid totalled US\$100 thousand for the financial year 2025 (2024: US\$214 thousand).

NOTE 34: RELATED PARTY DISCLOSURES CONTINUED**PURCHASES OF PROPERTY, PLANT AND EQUIPMENT**

The table below details the transactions of a capital nature, which were undertaken between Group companies and entities under common control, associated companies and other related parties during the years presented.

	Year ended 31.12.25			Year ended 31.12.24		
	Entities under common control	Associated companies	Other related parties	Entities under common control	Associated companies	Other related parties
US\$000						
Purchases in the ordinary course of business	13	–	–	3,109	–	–
Total purchases of property, plant and equipment	13	–	–	3,109	–	–

During the comparative year ended 31 December 2024, the Group purchased major spare parts and equipment from FZ Solutions LLC totalling US\$3,109 thousand in respect of the continuation of the Wave 1 pellet plant expansion and hydrogen projects. No such purchases were made during the financial year ended 31 December 2025.

The FPM Charity Fund owns 75% of the Sport & Recreation Centre (“SRC”) in Horishni Plavni and made contributions totalling US\$99 thousand during the year ended 31 December 2025 (2024: US\$100 thousand) for the construction and maintenance of the building, including costs related to electricity, gas and water consumption.

BALANCES WITH RELATED PARTIES

The outstanding balances, as a result of transactions with related parties, for the years presented are shown in the table below:

	Year ended 31.12.25			Year ended 31.12.24		
	Entities under common control	Associated companies	Other related parties	Entities under common control	Associated companies	Other related parties
US\$000						
Other non-current assets ^f	513	–	–	517	–	–
Total non-current assets	513	–	–	517	–	–
Trade and other receivables ^g	23	1,124	–	155	2,416	–
Prepayments and other current assets	23	–	–	93	–	–
Total current assets	46	1,124	–	248	2,416	–
Trade and other payables ^h	1,288	–	–	1,085	–	–
Total current liabilities	1,288	–	–	1,085	–	–

A description of the balances over US\$200 thousand in the current or comparative year is given below.

Entities under common control

f Other non-current assets include prepayments for property, plant and equipment totalling US\$513 thousand (2024: US\$517 thousand) made to FZ Solutions LLC mainly in relation to the Wave 1 expansion project of the processing plant.

h Trade and other payables of US\$398 thousand (2024: US\$549 thousand) relate to the purchase of spare parts and services from FZ Solutions LLC; and

h Trade and other payables of US\$621 thousand (2024: US\$316 thousand) relate to the purchase of spare parts from Uzhgorodsky Turbogaz, OJSC.

Associated companies

g Trade and other receivables of US\$1,124 thousand (2024: US\$2,416 thousand) relate to dividends declared by TIS Ruda LLC prior to the beginning of the war in Ukraine. The outstanding balance is net of an allowance of US\$1,638 thousand (2024: US\$278 thousand).

PAYMENTS ON BEHALF OF A KEY MANAGEMENT MEMBER

As disclosed in Note 30 Commitments, contingencies and legal disputes, the Group is subject to various legal actions and ongoing court proceedings initiated by certain governmental bodies in Ukraine. It is current practice of these governmental bodies to issue notices of suspicion to members of the senior management of the Group’s subsidiaries in Ukraine, requesting significant bail payments.

During the financial year ended 31 December 2025, the Group made additional bail payments totalling UAH5 million (US\$120 thousand at the applicable exchange rates) on behalf of one member of the senior management of one of the Group’s subsidiaries in Ukraine, compared to UAH53 million (US\$1,325 thousand at the applicable exchange rates) for three members during the comparative year ended 31 December 2024.

Due to their roles as key management members of the Group, the payments made are considered to be related party transactions under the Listing Rules as the payments were made to their benefit. As a result, and as required by the Listing Rules, the Group consulted its sponsor before making any of these payments.

NOTE 35: EVENTS AFTER THE REPORTING PERIOD

On 24 February 2026, the Company announced that a local court in Ukraine opened bankruptcy proceedings against Ferrexpo Poltava Mining ("FPM"). The decision followed the Commercial Court of Poltava Region having accepted for consideration an application from LLC Financial Company Maxi Capital Group ("Maxi Capital") to open bankruptcy proceedings on 14 May 2025. This relates to an on-going legal action in Ukraine between Maxi Capital and FPM relating to contested surety agreements and a claim in the amount of UAH4,727 million (US\$111,517 thousand). These bankruptcy proceedings against FPM by a local Ukrainian court and the consequent appointment of an insolvency manager have occurred notwithstanding that the underlying contested securities claim remains under review by the Supreme Court of Ukraine. FPM has appealed against the bankruptcy proceedings. On 9 April 2026, FPM's appeal against the opening of bankruptcy proceedings was adjourned and, following further hearings, the court of appeal in Kharkiv dismissed FPM's appeal on 18 August 2026. On 21 August 2026, FPM filed a cassation appeal to the Supreme Court of Ukraine. See Note 2 Basis of preparation for potential impacts on the Group's ability to continue as a going concern and Note 30 Commitments, contingencies and legal disputes for further information on this legal case.

As announced on 9 March 2026, the banking license of the Group's transactional bank in Switzerland was revoked on 27 February 2026 and the bank has been ordered to liquidate by the Swiss Financial Market Supervisory Authority ("FINMA"). On 11 August 2026, the Group was informed by the bank that its liquidators have approved the payout of the withheld funds to another bank of the Group. See Note 25 Cash and cash equivalents for further details.

As announced on 20 April 2026, the Group has entered into an agreement for the sale of its owned transshipping vessel "Iron Destiny" for a total net cash consideration of US\$7,700 thousand and the transaction was completed on 30 April 2026. Throughout the period since the commencement of the war, the Group's ability to utilise the transshipping vessel has been constrained, and it has not been possible to operate the vessel as a transshipping vessel, but ongoing maintenance and sustaining capital expenditure incurred on a monthly basis to keep the vessel in a seaworthy condition. Given the uncertainty relating to the timing of an end to the war and the return of the Group's ability to fully utilise the vessel, the Board has determined that a sale of the "Iron Destiny" would be in the best interests of the Group, in order to both receive an immediate cash injection and minimise the ongoing monthly maintenance and future capital expenditure.

As announced on 22 April 2026, the Board concluded that an equity fundraise of up to US\$100,000 thousand is the only viable solution in the timeframe required for the Group to continue as going concern. The intended equity fundraise would allow the Group to meet its ongoing obligations and provide sufficient working capital for the Group's short-term operational requirements while operating at a reduced level for the next 18 months following the approval of these consolidated financial statements. As at the date of the approval of these consolidated financial statements, Ferrexpo plc has received indicative expressions of interests to participate in the intended fundraise from new and existing shareholders in the amount of up to US\$100,000 thousand and an irrevocable undertaking from its largest shareholders to vote in favour of the resolutions to be proposed at the shareholders' meeting scheduled for 21 September 2026. However, the fundraise is conditional on all of the resolutions being passed by the shareholders of Ferrexpo plc. If the resolutions are not passed by the shareholders, or if any of the other conditions are not satisfied, the planned fundraise will not proceed, which will have a significant impact on the Group's ability to continue as a going concern, if no alternative funding can be secured within a reasonable amount of time. See Note 2 Basis of preparation for further details. In connection with the planned fundraise, the Group intends to enter into a loan agreement with its largest shareholder, Fevamotinicco S.a.r.l., shortly after the launch of the fundraise. Pursuant to this loan agreement, the largest shareholder will make available an unsecured loan facility in the principal amount of GBP22,550 thousand in order to pre-fund a portion of the amount payable by the shareholder under the subscription agreement in place. This loan is expected to be settled through the issuance of new Ordinary Shares in Ferrexpo plc. See Note 34 Related Party Transactions for further information.

On 22 May 2026, 3 June 2026 and 14 July 2026, the court of appeal cancelled the decisions of the court of first instance in respect of five monthly VAT claims made by the Group's two major subsidiaries in Ukraine totalling UAH554 million (US\$13,080 thousand as at 31 December 2025). These negative court decisions are treated as adjusting post balance sheet events and, as a result, the Group has recognised allowances for the full amount of the claims asserted, despite the resubmission of the monthly claims in subsequent months for the refund in cash. See Note 20 Other taxes recoverable and payable and Note 30 Commitments, contingencies and legal disputes for further information.

On 14 July 2026, the State Tax Service of Ukraine ("STS") issued a report in respect of a completed unscheduled documentary in-house review of Ferrexpo Poltava Mining ("FPM") in relation to compliance currency control regulations imposed under Martial Law in Ukraine, assessing penalties of approximately UAH35.3 billion (approximately US\$787 million as at the date of approval of these consolidated financial statements) for potentially alleged breaches of foreign currency settlement deadlines. FPM filed formal objections to the STS in connection with the report received. Depending on the outcome of the review of those objections, FPM intends to challenge any potentially resulting tax notices-decisions before the Ukrainian courts. In that event, the assessed liabilities will remain unconfirmed and unenforceable pending a judicial review process and, as a consequence, no provision has been recorded as at 31 December 2025. See Note 30 Commitments, contingencies and legal disputes for further information.

No other material adjusting or non-adjusting events have occurred subsequent to the period-end other than the events disclosed above.

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

Ferrexpo plc (the “Company”) is required to present its separate Parent Company statement of financial position and certain notes to the statement of financial position on a standalone basis as at 31 December 2025 and 2024, which have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (“FRS 101”). Information on the principal accounting policies is outlined in Note 3 Material accounting policies.

Ferrexpo plc is exempt from presenting a standalone Parent Company profit and loss account and statement of comprehensive income in accordance with Section 408 of the UK Companies Act 2006.

US\$000	Notes	As at 31.12.25	As at 31.12.24
Fixed assets			
Investment in subsidiary undertakings	4	130,338	129,907
Total fixed assets		130,338	129,907
Current assets			
Debtors: amounts falling due within one year	5	14,588	13,875
Debtors: amounts falling due in more than one year	5	283,501	263,484
Cash at bank and in hand		33	138
Total current assets		298,122	277,497
Creditors: amounts falling due within one year		8,528	7,378
Net current assets		289,594	270,119
Total assets less current liabilities		419,932	400,026
Net assets		419,932	400,026
Capital and reserves			
Called up share capital	6	121,628	121,628
Share premium account		185,112	185,112
Treasury share reserve	6	(48,260)	(48,260)
Employee benefit trust reserve	6	(15,473)	(15,904)
Retained earnings	6	176,925	157,450
Total capital and reserves		419,932	400,026

The profit after taxation for the Company, registration number 05432915, was US\$19,480 thousand for the financial year ended 31 December 2025 (2024: loss of US\$41,418 thousand).

The financial statements were approved by the Board of Directors and authorised for issue on 3 September 2026 and signed on behalf of the Board.

Lucio Genovese
Interim Executive Chair

Nikolay Kladiev
Chief Financial Officer and Executive Director

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

US\$000	Issued capital	Share premium	Treasury share reserve	Employee benefit trust reserve	Retained earnings	Total capital and reserves
At 1 January 2024	121,628	185,112	(48,260)	(16,224)	198,954	441,210
Loss for the year	-	-	-	-	(41,418)	(41,418)
Total comprehensive loss for the year	-	-	-	-	(41,418)	(41,418)
Equity dividends paid to shareholders	-	-	-	-	(86)	(86)
Share-based payments	-	-	-	320	-	320
Effect from transfer of treasury shares	-	-	-	-	-	-
At 31 December 2024	121,628	185,112	(48,260)	(15,904)	157,450	400,026
Profit for the year	-	-	-	-	19,480	19,480
Total comprehensive profit for the year	-	-	-	-	19,480	19,480
Equity dividends paid to shareholders	-	-	-	-	(5)	(5)
Share-based payments	-	-	-	431	-	431
Effect from transfer of treasury shares	-	-	-	-	-	-
At 31 December 2025	121,628	185,112	(48,260)	(15,473)	176,925	419,932

NOTE 1: CORPORATE INFORMATION

The Company is incorporated and registered in England and Wales, which is considered to be the country of domicile, with its registered office at 55 St James's Street, London SW1A 1LA, UK. The Company's Ordinary Shares are traded on the London Stock Exchange.

The largest shareholder of the Company is Fevamotinic S.a.r.l. ("Fevamotinic"), a company incorporated in Luxembourg. Fevamotinic is ultimately wholly owned by The Minco Trust, of which Kostyantyn Zhevago ("Mr Zhevago") and two other members of his family are the beneficiaries. At the time this report was published, Fevamotinic held 49.3% (49.3% at the time of publication of the 2024 Annual Report and Accounts) of the Company's issued voting share capital (excluding treasury shares).

NOTE 2: BASIS OF PREPARATION

The financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

The financial statements are presented in US dollars (US\$), the Company's functional currency, and all values are rounded to the nearest thousand, except where otherwise indicated. The functional currency is determined as the currency of the primary economic environment in which the Company operates. The majority of the Company's operating activities are conducted in US dollars.

The Company has taken advantage of the following disclosure exemptions under FRS 101 as the Company is included in publicly available consolidated financial statements, which include disclosures that comply with the standards listed below:

- the requirements of paragraphs 45(b) and 46–52 of IFRS 2 *Share-based payments*;
- the requirements of IFRS 7 *Financial instruments: Disclosures*;
- the requirements of paragraphs 91–99 of IFRS 13 *Fair value measurements*;
- the following paragraphs of IAS 1 *Presentation of financial statements*:
 - 10 (d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 111 (cash flow statement information); and
 - 134–136 (capital management disclosures).
- the requirements of IAS 7 *Statement of cash flows*;
- the requirements of paragraphs 30 and 31 of IAS 8 *Accounting policies, changes in accounting estimates and errors*; and
- the requirements of paragraph 17 of IAS 24 *Related party disclosures* and the requirements to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary, which is a party to the transaction, is wholly owned by such a member of the same standard.

The Company does not have any employees other than the Directors. The requirement to give employee numbers and costs information under Section 411 of the Companies Act 2006 is addressed in the Directors' Remuneration Report of the Group on pages 172 to 180.

GOING CONCERN

Throughout the financial year 2025, the situation in Ukraine remained unpredictable and extremely challenging due to the ongoing war and legal actions against the Group. The Group showed strong momentum at the beginning of the year, resulting in the Group's best production in the first quarter since the full-scale invasion in February 2022. This strong momentum was significantly curtailed in the second quarter as the Group started to experience the full impact of the Ukrainian tax authorities' decisions to suspend the refund of VAT to the Group's subsidiaries in Ukraine. The situation further deteriorated in the last quarter of 2025, when the intensity and frequency of missile and drone attacks on Ukraine's energy, transport, and port infrastructure increased. This led to power cuts and a sharp rise in electricity prices, which had a further negative impact on the Group's business operations in the fourth quarter.

The challenging and unpredictable environment in which the Group has been operating since the beginning of the invasion and the ongoing war, whose duration and impact on the Group's activities in future periods are difficult to predict, continues to represent a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. In addition to the war-related material uncertainty, the Group is also exposed to the risks associated with operating in a dynamic and adverse political landscape in Ukraine, which is exacerbated by the war and/or the current circumstances facing Mr Zhevago. As a result, the Group is exposed to a number of risk areas that are heightened compared to those expected in a stable economy, such as an environment of political, fiscal and legal uncertainties, which represents another material uncertainty as at the date of the approval of these consolidated financial statements.

Considering the current situation of the ongoing war and legal actions against the Group in Ukraine described in Note 2 Basis of preparation to the consolidated financial statements, the Group and the Company continue to prepare their financial statements on a going concern basis. This conclusion is based on the Group's ability to swiftly adapt to changing circumstances caused by the war, the effects from the suspension of VAT refunds in Ukraine and the independent legal advice received regarding the merits of the ongoing legal actions against the Group in Ukraine. However, many of the identified uncertainties in respect of the ongoing war and legal disputes are outside of management's control, and are unpredictable, which may cast significant doubt upon the Group's and the Company's ability to continue as a going concern.

NOTE 2: BASIS OF PREPARATION CONTINUED

The Group expects its liquidity to be sufficient until at least mid-September 2026, despite the fact that the Group remains focused on managing its costs and optimising its sales mix. It is therefore the Directors' intention to raise gross proceeds of approximately US\$100,000 thousand by way of a conditional placing of Ordinary Shares to support the Group's working capital position and fund its ongoing operations. This planned fundraise is expected to be completed in late September 2026 and will provide the necessary immediate recapitalisation of the Group, as well as put the Group in a stronger financial position to restore production capacity to a sustainable level, thereby enabling the Group to deal with the current challenging environment. The fundraise is conditional on all of the resolutions being passed by the shareholders of Ferrexpo plc. If the resolutions are not passed by the shareholders, or if any of the other conditions are not satisfied, the planned fundraise will not proceed, which will have a significant impact on the Group's and, as a consequence, the Company's ability to continue as a going concern.

For more information on critical judgements made by management in preparing the Group's consolidated financial statements, see also Note 2 Basis of preparation in respect of the Group's and the Company's ability to continue as a going concern and Note 30 Commitments, contingencies and legal disputes in respect of other ongoing legal proceedings and disputes. These notes should be read in conjunction with this note.

If the Group, and, as a consequence, the Company is unable to continue to realise assets and discharge liabilities in the normal course of business, it would be necessary to adjust the amounts in the statement of financial position in the future to reflect these circumstances, which may materially change the measurement and classification of certain figures contained in these financial statements.

NOTE 3: MATERIAL ACCOUNTING POLICIES

FOREIGN CURRENCIES

The accounting policy is consistent with the Group's policy set out in Note 2 Basis of preparation to the Group's consolidated financial statements.

INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Equity investments in subsidiaries are carried at cost less any provision for impairments.

The investments are reviewed for impairment at each reporting date, when it is assessed whether there are indications that the investments may be impaired or previously recognised impairment losses may no longer exist for may have decreased. If such indication exists, the recoverable amounts of the investments are estimated. An investment is considered to be impaired and is written down to its recoverable amount, if the carrying value exceeds the estimated recoverable amount. The recoverable amount is generally the higher of its fair value less cost of disposal and its value-in-use. In situations where external factors have a significant impact on the fair value less cost of disposal of the value-in-use of an investment, the net asset value of the relevant subsidiary undertaking is considered to be the recoverable amount.

Impairment losses are recognised in the income statement.

AMOUNTS OWED BY SUBSIDIARY UNDERTAKINGS

Amounts owed by subsidiary undertaking are interest-bearing loans provided to entities of the Group. These loans are recognised at cost, being the fair value of the consideration transferred. After initial recognition, interest-bearing loans are subsequently measured at amortised cost using the effective interest method. In addition to the individual assessment at each reporting date whether a financial asset or group of financial assets is impaired, the Company also assesses the expected credit losses on financial assets carried at amortised cost in accordance with the general approach. The loss allowance is measured at an amount equal to the lifetime expected credit losses. On consideration of the fact that the Group has a fully integrated organisational structure with no history of default of its subsidiaries, the calculation of the allowance for amounts owed by subsidiary undertakings is based on the default risk and recovery ratings of the Group adjusted for current observable circumstances and forecast information. This assessment is performed individually for all financial assets that are individually significant and collectively for those that are not individually significant and have similar credit risk characteristics. The carrying amount of the financial assets is reduced by an allowance account with the change of the allowance being recognised as a component of the profit after taxation. Individual balances are written off when management deems that there is no possibility of recovery.

TREASURY SHARE RESERVE

Own equity instruments, which are reacquired (treasury shares), are recognised at cost and deducted from equity shown in the treasury share reserve. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognised in reserves.

SHARE-BASED PAYMENTS

The accounting policy is consistent with the Group's policy set out in Note 28 Share-based payments to the Group's consolidated financial statements.

Employee benefit trust reserve

Ferrexpo plc shares held by the Company are classified in capital and reserves as employee benefit trust reserves and recognised at cost. Consideration received for the sale of such shares is also recognised in equity, with any difference between the proceeds from sale and the original cost reflected in retained earnings. No gain or loss is recognised on the purchase, sale issue or cancellation of equity shares.

DIVIDEND INCOME

Dividend income is recognised to the extent that the Company has the right to receive payment, typically upon declaration by the subsidiary.

TAXATION

The accounting policy is consistent with the Group's policy set out in Note 11 Taxation to the Group's consolidated financial statements.

CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted and applied in the preparation of the financial statements are consistent with those of the previous year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as at 1 January 2025. The new and amended IFRS and IFRIC interpretations adopted are consistent with the Group's new accounting policies set out in Note 3 New accounting policies to the Group's consolidated financial statements and have not had a significant impact on these financial statements.

NOTE 3: MATERIAL ACCOUNTING POLICIES CONTINUED

USE OF CRITICAL ESTIMATES AND JUDGEMENTS

Critical judgements made by management in preparing the separate Parent Company financial statements predominantly relate to the basis of preparation of these financial statements in respect of the going concern assumption (see previous page).

Further to that, as disclosed in Note 35 Events after the reporting period to the consolidated financial statements of the Group, there are a number of events after the reporting requiring critical judgement from the Group's management when preparing the consolidated financial statements for the year ended 31 December 2025, which could also have an impact on the Company's financial statements. See Note 4 Investment in subsidiary undertaking for further information.

The Company has not identified any area involving the use of critical estimates.

NOTE 4: INVESTMENT IN SUBSIDIARY UNDERTAKINGS

Investment in subsidiary undertakings as at 31 December 2025 relates to the Company's investment in Ferrexpo AG ("FAG"), which is domiciled in Switzerland and wholly owned by the Company. The subsidiary's registered office is at Bahnhofstrasse 13, 6340 Baar, Switzerland.

See Note 32 Consolidated subsidiaries to the Group's consolidated financial statements for further information on subsidiaries indirectly held by the Company and see Additional Disclosures on page 265 for the principal activities of the Group's subsidiaries, indirectly controlled by the Company.

US\$000	As at 31.12.25	As at 31.12.24
Investment in subsidiary undertakings	130,338	129,907
Total investment in subsidiary undertakings	130,338	129,907

Impairment of investments assessment

The impairment test for the Company's investment in subsidiary undertakings performed as at 31 December 2025 did not result in an additional impairment loss (2024: US\$33,689 thousand).

The impairment test as at 31 December 2025 was prepared based on a discounted cash flow model, taking into account FAG's potential future cash flow generation based on the Group's long-term model, including potential dividend payments from FAG's investments in Group undertakings.

Critical estimates and judgements

The preparation of the impairment test requires management to make estimates and judgements that affect the outcome of this test and the amounts reported in the accounts of the Company. As disclosed in Note 13 Property, plant and equipment to the consolidated accounts of the Group, the preparation of the Group's long-term model is based on management's best estimate of key assumptions, such as the expected future prices for iron ore products and for key input materials as well as possible production and sales volumes, taking also into account the current circumstances the Group has to operate in. Any adverse changes to these key assumptions could pose a risk for significant adjustments in future periods.

As mentioned above, the impairment test of the Company's investment in subsidiary undertakings is also dependent on the Group's long-term model. In addition to the critical estimates and judgements required when preparing the Group's long-term model, there are also critical estimates and judgements required specifically when preparing the Company's impairment test, such as the timing of possible dividend distributions from the Ukrainian subsidiaries to FAG and the assumed distribution rate for such dividend distributions.

Due to foreign exchange controls in Ukraine under current Martial Law, there are still restrictions on dividend distributions and capital repatriation. As a result, it is currently uncertain when the Group's Ukrainian subsidiaries will be in the position to distribute dividends to FAG.

Further to that, the ongoing war and legal actions against the Group's Ukrainian operations could have a significant effect on the Group's long-term model and, as a consequence, on the carrying value of FAG's investments in subsidiary undertakings and FAG's potential for future cash flow generation, including that relating to dividend payments.

The ongoing war, including the time when Martial Law in Ukraine might be lifted, and the outcome of the legal actions outside of the management's control. A delay of the first dividend distribution from the Ukrainian subsidiaries by another five years than currently expected by management, with the expected distribution rate unchanged, would reduce the value in use of the Company's investments in subsidiary undertakings by approximately US\$25,000 thousand. If there are positive developments in terms of Martial Law and the legal actions against the Group in Ukraine, the impairment loss recorded in the past or a portion of it might reverse in future periods.

Note 30 Commitments, contingencies and legal disputes to the Group's consolidated financial statements as at 31 December 2025 provides further information on legal actions against the Group that could have an impact on the value of the Company's investment in subsidiary undertakings.

NOTE 5: DEBTORS

Debtors as at 31 December 2025 related to the following:

US\$000	As at 31.12.25	As at 31.12.24
Amounts falling due within one year		
Prepaid Expenses	549	584
Accrued Interest owed by subsidiary undertakings	14,039	13,291
Total amount falling due within one year	14,588	13,875
Amounts falling due after more than one year		
Amounts owed by subsidiary undertakings	283,501	263,484
Total amount falling due after more than one year	283,501	263,484
Total debtors	298,089	277,359

Amounts owed by subsidiary undertakings falling due after more than one year include loans and dividend receivable balances contractually payable on demand but having assessed the expected repayment profile and payment date, this balance is presented as falling due after more than one year.

The table above includes the impact from the application of the expected credit loss impairment model under IFRS 9 *Financial Instruments*. The effect from the change of impairment losses on debtors included in the profit after taxation was a loss of US\$1,059 thousand for the year ended 31 December 2025 (2024: loss of US\$1,337 thousand). The total expected credit loss allowance booked on the statement of financial position was US\$3,000 thousand as at 31 December 2025 (2024: US\$1,941 thousand).

NOTE 6: SHARE CAPITAL AND RESERVES

SHARE CAPITAL

Share capital represents the nominal value on issue of the Company's equity share capital, comprising £0.10 Ordinary Shares. The issued and fully paid share capital of Ferrexpo plc at 31 December 2025 was 613,967,956 Ordinary Shares (2024: 613,967,956) at a par value of £0.10 paid for in cash, resulting in share capital of US\$121,628 thousand (2024: US\$121,628 thousand) per the statement of financial position. The interest of the Group's largest shareholder, Fevaminotico S.a.r.l., in voting rights of Ferrexpo plc is 49.3% as at the date of this report (49.3% as at the time of publication of the 2024 Annual Report and Accounts). There is no authorised share capital limit.

TREASURY SHARE RESERVE

In September 2008, the Company completed a buy-back of 25,343,814 shares for a total cost of US\$77,260 thousand. These shares are currently held as treasury shares by the Group. The Companies Act 2006 forbids the exercise of any rights (including voting rights) and the payment of dividends in respect of treasury shares. During the financial year ended 31 December 2023, the Group transferred 9,513,000 shares from the treasury shares reserve to the Group's employee benefit trust reserve, resulting in 15,830,814 shares remaining in the treasury share reserve as at 31 December 2025 (2024: 15,830,814 shares).

EMPLOYEE BENEFIT TRUST RESERVE

This reserve represents the treasury shares used to satisfy future grants for senior management incentive schemes. The employee benefit trust reserve includes 9,741,183 shares as at 31 December 2025 (2024: 9,766,759 shares), including 9,513,000 shares transferred during the financial year ended 31 December 2023 from the treasury shares reserve to the employee benefit trust reserve.

Distributable reserves

The Company is the Group's holding company, with no direct operating business, so its ability to make distributions to its shareholders is dependent on its ability to access profits held in the subsidiaries. The Company's retained earnings shown in the statement of changes in equity as at 31 December 2025 do not reflect the profits that are available for distribution by the Company as of this date. Taking into account relevant thin capitalisation rules and provisions of the Companies Act 2006, the total available distributable reserves of Ferrexpo plc is US\$96,600 thousand as at 31 December 2025 (2024: US\$77,500 thousand). Details on dividends are disclosed in Note 12 Earnings per share and dividends paid and proposed of the Group's consolidated financial statements.

NOTE 7: EVENTS AFTER THE REPORTING PERIOD

No material adjusting or non-adjusting events have occurred subsequent to the period end.

ADDITIONAL DISCLOSURES

See Note 32 Consolidated subsidiaries for further information on the Group.

Unless otherwise stated, the equity interest disclosed includes ordinary or common shares, which are owned by subsidiaries of the Group.

			Equity interest owned	
Name	Address of consolidated subsidiary's registered office	Principal activity	31.12.25 %	31.12.24 %
Consolidated subsidiaries				
Ferrexpo AG	Bahnhofstrasse 13, 6340 Baar, Switzerland	Holding company and sale of iron ore pellets and concentrate	100.0	100.0
PJSC Ferrexpo Poltava Mining	Budivelnykiv Street 16, 39802 Horishni Plavni, Poltava Region, Ukraine	Iron ore mining and processing	100.0	100.0
LLC Ferrexpo Yeristovo Mining	Budivelnykiv Street 15, 39802 Horishni Plavni, Poltava Region, Ukraine	Iron ore mining	100.0	100.0
LLC Ferrexpo Belanovo Mining	Budivelnykiv Street 16, 39802 Horishni Plavni, Poltava Region, Ukraine	Iron ore mining	100.0	100.0
Ferrexpo Middle East FZE	Office A2207, Jafza One, Jebel Ali Free Zone, Dubai, U.A.E., P.O. Box 18341	Sale of iron ore pellets and concentrate	100.0	100.0
Ferrexpo Finance plc	55 St James's Street, London SW1A 1LA, United Kingdom	Finance	100.0	100.0
Ferrexpo Services Limited	Patris Lumumba Street 4/6, 01042 Kyiv, Ukraine	Management services and procurement	100.0	100.0
Universal Services Group Ltd.	Nabrezna Street 2, 39800 Horishni Plavni, Poltava Region, Ukraine	Asset holding company	100.0	100.0
DP Ferrotrans	Portova Street 65, 39802 Horishni Plavni, Poltava Region, Ukraine	Trade, transportation services	100.0	100.0
LLC FerroLocoTrans	Portova Street 65, 39802 Horishni Plavni, Poltava Region, Ukraine	Trade, transportation services (dormant)	100.0	100.0
United Energy Company LLC	Budivelnykiv Street 16, 39802 Horishni Plavni, Poltava Region, Ukraine	Holding company	100.0	100.0
Nova Logistics Limited	Budivelnykiv Street 16, 39802 Horishni Plavni, Poltava Region, Ukraine	Service company (dormant)	51.0	51.0
Ferrexpo Singapore PTE Ltd.	1 Fullerton Road, One Fullerton #02-01, Singapore 049213, Singapore	Marketing services (dormant)	100.0	100.0
Ferrexpo Shipping International Ltd.	Ajeltake Road, MH-96960 Ajeltake Island – Majuro, Marshall Islands	Holding company (dissolved on 18 August 2026)	100.0	100.0
Iron Destiny Ltd.	Ajeltake Road, MH-96960 Ajeltake Island – Majuro, Marshall Islands	Shipping company (dissolved on 18 August 2026)	100.0	100.0
First-DDSG Logistics Holding GmbH	Handelskai 348, 1020 Wien, Austria	Holding company	100.0	100.0
Erste Donau-Dampfschiffahrt Gesellschaft GmbH in Liq.	Handelskai 348, 1020 Wien, Austria	Barging company (in liquidation)	100.0	100.0
DDSG Tankschiffahrt GmbH in Liq.	Handelskai 348, 1020 Wien, Austria	Barging company (in liquidation)	100.0	100.0
DDSG Services GmbH	Handelskai 348, 1020 Wien, Austria	Service company	100.0	100.0
DDSG Mahart Kft.	Sukorói út 1., 8097 Nadap, Hungary	Barging company	100.0	100.0
Pancar Kft.	Sukorói út 1., 8097 Nadap, Hungary	Barging company (liquidated)	0.0	100.0
Ferrexpo Port Services GmbH	Handelskai 348, 1020 Wien, Austria	Bunker business	100.0	100.0
Transcanal SRL	Ecluzei Street 1, Agigea, Constanta, Romania	Port services	77.6	77.6
Helogistics Asset Leasing Kft.	Sukorói út 1., 8097 Nadap, Hungary	Asset holding company	100.0	100.0
LLC DDSG Ukraine Holding	Patris Lumumba Street 4/6, 01042 Kyiv, Ukraine	Holding company	100.0	100.0
LLC DDSG Invest	Building 4/6, Ioanna Pavla II Street, 01042 Kyiv, Ukraine	Asset holding company (dormant)	100.0	100.0
LLC DDSG Ukraine Shipping Management	Patris Lumumba Street 4/6, 01042 Kyiv, Ukraine	Barging company (dormant)	100.0	100.0
LLC DDSG Ukraine Shipping	Radhospna Street 18, 39763 Kamiani Potoky, Kremenchuk District, Poltava Region, Ukraine	Asset holding company	100.0	100.0
Ferrexpo Poltava Mining Charity Fund¹	Heroiv Dnipra Street 23-a, 39802 Horishni Plavni, Poltava Region, Ukraine	Charity fund	100.0	100.0
Associate				
TIS Ruda LLC	Oleksiya Stavnitzera Street 50, 67543 Vizirka Village, Odesa Region, Ukraine	Port development	49.9	49.9
Fair value through OCI²				
PJSC Stakhanov Railcar Company		Rail car producer	1.1	1.1
Vostok Ruda LLC		Iron ore mining	1.1	1.1
LLC Atol		Gas	9.9	9.9
CJSC AMA		Gas	9.0	9.0
CJSC Amtek		Gas	9.0	9.0

1. Charity fund controlled by the Group through its HSEC Committee.

2. All investments relate to companies incorporated in Ukraine and are fully impaired.

ALTERNATIVE PERFORMANCE MEASURES

When assessing and discussing the Group's reported financial performance, financial position and cash flows, management may make reference to Alternative Performance Measures ("APMs") that are not defined or specified under International Financial Reporting Standards ("IFRS").

APMs are not uniformly defined by all companies, including those in the Group's industry. Accordingly, the APMs used by the Group may not be comparable with similarly titled measures and disclosures made by other companies. APMs should be considered in addition to, and not as a substitute for or as superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRS.

Ferrexpo makes reference to the following APMs in the 2025 Annual Report and Accounts.

C1 AND C4 CASH COST OF PRODUCTION

Definition: Non-financial measure representing the cash cost of producing iron ore pellets and concentrate from the Group's own ore, calculated as total cash production costs divided by the volume of own iron ore pellets and concentrate produced.

C1 and C4 cash costs exclude non-cash items such as depreciation and inventory movements, as well as costs related to purchased ore and concentrate.

The Group presents C1 and C4 cash cost of production as management believes these measures provide a meaningful indicator of operational efficiency and cost competitiveness when compared with industry peers.

US\$000	Notes	Year ended 31.12.25	Year ended 31.12.24
C1 cash costs		245,790	470,415
Non-C1 cost components		50,746	53,015
Inventories recognised as an expense upon sale of goods	7	296,536	523,430
Own ore produced (tonnes)		3,221,461	6,070,541
C1 cash cost per tonne (US\$)		76.3	77.5
C4 cash costs		144,778	38,731
Non-C4 cost components		34,157	4,365
Inventories recognised as an expense upon sale of goods	7	178,935	43,096
Own concentrate produced (tonnes)		2,877,813	700,520
C4 cash cost per tonne (US\$)		50.3	55.3

UNDERLYING EBITDA

Definition: The Group calculates the Underlying EBITDA as profit before tax and finance plus depreciation and amortisation, net gains and losses from disposal of investments and property, plant and equipment, effects from share-based payments, write-offs and impairment losses, operating foreign exchange gains/losses and exceptional items. The Underlying EBITDA is presented because it is a useful measure for evaluating the Group's ability to generate cash and its operating performance.

Historically and in agreement with the Group's definition of the Underlying EBITDA at that time, the Group's Underlying EBITDA included operating foreign exchange gains and losses, which could be material depending on the devaluation of the Ukrainian hryvnia compared to the US dollar. During the financial year 2024, the Group amended its definition of the Underlying EBITDA by excluding the operating foreign exchange gains and losses. The vast majority of the Group's operating foreign exchange gains or losses are expected to incur on intercompany trade receivable balance of the Ukrainian subsidiaries, which are denominated in US dollar. For practicability reasons, the entire balance of the operating foreign exchange gains and losses are excluded from the Group's Underlying EBITDA. It is management's view that the amended definition better reflects the Group's ability to generate cash and to evaluate its operating performance.

See Note 5 Segment information to the consolidated financial statements for further details.

Closest equivalent IFRS measure: Profit before tax and finance.

Rationale for adjustment: The Group presents the underlying EBITDA as it is a useful measure for evaluating its ability to generate cash and its operating performance. Also it aids comparability across peer groups as it is a measurement that is often used.

Reconciliation to closest IFRS equivalent:

US\$000	Notes	Year ended 31.12.25	Year ended 31.12.24
Underlying EBITDA		27,555	69,310
Gains/(losses) on disposal and liquidation of property, plant and equipment	7	572	(231)
Share-based payments	28	(431)	(320)
Write-offs and impairments	7	(160,936)	(71,871)
Allowance on overdue VAT receivable balances	20	(13,139)	–
Depreciation and amortisation		(68,406)	(60,281)
Operating foreign exchange gains		4,969	83,321
(Loss)/profit before tax and finance		(209,816)	19,928

NET CASH/(DEBT)

Definition: Cash and cash equivalents net of interest-bearing loans and borrowings.

Closest equivalent IFRS measure: Cash and cash equivalents.

Rationale for adjustment: Net cash/(debt) is a measurement of the strength of the Group's balance sheet. It is presented as it is a useful measure to evaluate the Group's financial liquidity.

Reconciliation to closest IFRS equivalent:

US\$000	Notes	As at 31.12.25	As at 31.12.24
Cash and cash equivalents	25	58,447	105,919
Lease liabilities – current	26	(4,228)	(4,665)
Lease liabilities – non-current	26	(6,792)	(419)
Net cash		47,427	100,835

CAPITAL INVESTMENT

Definition: Capital expenditure for the purchase of property, plant and equipment and intangible assets.

Closest equivalent IFRS measure: Purchase of property, plant and equipment and intangible assets (net cash flows used in investing activities).

Rationale for adjustment: The Group presents the capital investment as it is a useful measure for evaluating the degree of capital invested in its business operations.

Reconciliation to closest IFRS equivalent:

US\$000	Notes	Year ended 31.12.25	Year ended 31.12.24
Purchase of property, plant and equipment and intangible assets (net cash flows used in investing activities)	13/15	49,070	101,688

TOTAL LIQUIDITY

Definition: Sum of cash and cash equivalents, available committed facilities and undrawn uncommitted facilities. No committed facilities are outstanding as at 31 December 2025, or at the end of the comparative year ended 31 December 2024. Uncommitted facilities include trade finance facilities secured against receivable balances related to these specific trades. See Note 26 Interest-bearing loans and borrowings and Note 27 Financial instruments for further information.

Closest equivalent IFRS measure: Cash and cash equivalents.

Rationale for adjustment: The Group presents total liquidity as it is a useful measure for evaluating its ability to meet short-term business requirements.

Reconciliation to closest IFRS equivalent:

US\$000	Notes	As at 31.12.25	As at 31.12.24
Cash and cash equivalents	25	58,447	105,919

References to Ferrexpo plc

References in this report to “Ferrexpo”, the “Company”, the “Group”, “we”, “us” and “our” are all references to Ferrexpo, Ferrexpo subsidiaries and those that work for Ferrexpo, albeit not a singular entity or person. Such terms are provided as a writing style in this report, and are not indicative of how Ferrexpo or its subsidiaries are structured, managed or controlled.

Act

The Companies Act 2006

AGM

The Annual General Meeting of the Company

Articles

The Articles of Association of the Company

Audit Committee

The Audit Committee of the Company's Board

Bank F&C

Bank Finance & Credit

Belanovo or Bilanivske

An iron ore deposit located immediately to the north of Yeristovo

Benchmark price

International seaborne traded iron ore pricing mechanism used by market participants, including Ferrexpo.

Beneficiation process

A number of processes whereby intermediate iron ore products are upgraded to higher value iron ore products, such as iron ore pellets.

BIP

Business Improvement Programme, a programme of projects to increase production output and efficiency at FPM

Blast furnace pellets

Used in Basic Oxygen Furnace (“BOF”) steelmaking and constitute about 70% of the traded pellet market

Board

The Board of Directors of the Company

BT

Billion tonnes

C1 and C4 unit costs

Represent the cash costs of production of iron ore pellets and concentrates from the Group's own ore, divided by production volume from own ore. C1 and C4 unit costs exclude non-cash items such as depreciation, pension costs and inventory movements, as well as costs related to purchased ore and concentrate and the production cost of gravel

Capesize

Capesize vessels are typically above 150,000 tonnes deadweight. Ships in this class include oil tankers, supertankers and bulk carriers transporting coal, ore and other commodity raw materials. Standard capesize vessels are able to transit through the Suez Canal

Capex

Capital expenditure for the purchase of property, plant and equipment and intangible assets

Capital employed

The aggregate of equity attributable to shareholders, non-controlling interests and borrowings

CFR

Delivery including cost and freight

CHF

Swiss franc, the currency of Switzerland

China & South East Asia

This segmentation for the Group's sales includes China and Vietnam

CID

Committee of Independent Directors

CIF

Delivery including cost, insurance and freight

CIS

The Commonwealth of Independent States

CODM

The Executive Committee is considered to be the Group's Chief Operating Decision-Maker

Company

Ferrexpo plc, a public company incorporated in England and Wales with limited liability

Controlling shareholder

Fevamotinico S.a.r.l. holds 49.3% of the voting rights in Ferrexpo plc as at the date of this report. The Minco Trust is a discretionary trust that has three beneficiaries, consisting of Mr Zhevago and two other members of his family. For the purposes of the UK Listing Rules, each of the beneficiaries of The Minco Trust is considered a controlling shareholder of Ferrexpo plc

Corporate Governance Code

2024 UK Corporate Governance Code

CPI

Consumer Price Index

CRU

The CRU Group provides market analysis and consulting advice in the global mining industry (see www.crugroup.com)

CSR

Corporate Social Responsibility

DAP

Delivery at place

DFS

Detailed feasibility study

Directors

The Directors of the Company

Direct reduction

Used in Direct Reduction Iron (“DRI”) production

“DR” pellets

A feedstock, in addition to scrap steel for the production of steel in Electric Arc Furnace (“EAF”) steelmaking. DR pellets are a niche, higher quality product with Fe content of 67% or above, and a combined level of silica and alumina of <2%

EBT

Employee benefit trust

EPS

Earnings per share

ERPMC

Executive Related Party Matters Committee

Europe

This segmentation for the Group's sales includes countries across Europe and includes Turkey

Executive Committee

The Executive Committee of management appointed by the Board

Executive Directors

The Executive Directors of the Company

FBM

LLC Ferrexpo Belanovo Mining, a company incorporated under the laws of Ukraine

Fe

Iron

Ferrexpo

The Company and its subsidiaries

Ferrexpo AG Group

Ferrexpo AG and its subsidiaries, including FPM, FYM and FBM

Fevamotinico

Fevamotinico S.a.r.l., a company incorporated with limited liability in Luxembourg

First-DDSG

First-DDSG Logistics Holding GmbH (formerly Helogistics Holding GmbH) and its subsidiaries, an inland waterway transport group operating primarily on the Danube River corridor

FOB

Delivered free on board, which means that the seller's obligation to deliver has been fulfilled when the goods have passed over the ship's rail at the named port of shipment, and all future obligations in terms of costs and risks of loss or damage transfer to the buyer from that point onwards

FPM

Ferrexpo Poltava Mining, also known as PJSC Ferrexpo Poltava Mining, a company incorporated under the laws of Ukraine

FRMCC

Finance, Risk Management and Compliance Committee, a sub-committee of the Executive Committee

FTSE 250

An index of the 101st to 350th largest companies by market-capitalisation quoted on the London Stock Exchange

FYM

LLC Ferrexpo Yeristovo Mining, a company incorporated under the laws of Ukraine

GPL

Gorishne-Plavninske-Lavrykivske, the iron ore deposit being mined by FPM

Group

The Company and its subsidiaries

HSE

Health, safety and environment

HSEC Committee

The Health, Safety, Environment and Community Committee

IAS

International Accounting Standards

IASB

International Accounting Standards Board

IFRIC interpretations

IFRS interpretations as issued by the IFRS Interpretations Committee

IFRS

International Financial Reporting Standards

IPO

Initial public offering

Iron ore concentrate

Product of the beneficiation process with enriched iron content

Iron ore pellets

Balled and fired agglomerate of iron ore concentrate, whose physical properties are well suited for transportation to and reduction within a blast furnace

Iron ore sinter fines

Fine iron ore screened to -6.3mm

IRR

Internal Rate of Return

JORC

Australasian Joint Ore Reserves Committee – the internationally accepted code for ore classification

K22

GPL ore has been classified as either K22 or K23 quality, of which K22 ore is of higher quality (richer)

KPI

Key Performance Indicator

KT

Thousand tonnes

LLC

Limited Liability Company (in Ukraine)

LSE

London Stock Exchange

LTI

Lost time injury

LTIFR

Lost time injury frequency rate, the number of lost time injuries that occurred divided by the number of hours worked for a reporting period

LTIP

Long-term incentive plan

m3

Cubic metre

MENA

This segmentation for the Group's sales includes customers in the Middle East and North Africa region

mm

Millimetre

MT

Million tonnes

mtpa

Million tonnes per annum

NBU

National Bank of Ukraine

Nominations Committee

The Nominations Committee of the Board

Non-executive Directors

Non-executive Directors of the Company

NOPAT

Net operating profit after tax

North America

This segmentation for the Group's sales includes the United States

North East Asia

This segmentation for the Group's sales includes Japan and Korea

OHSAS 18001

International safety standard "Occupational Health & Safety Management System Specification"

Ordinary Shares

Ordinary Shares of 10 pence each in the Company

Ore

A mineral or mineral aggregate containing precious or useful minerals in such quantities, grade and chemical combination as to make extraction economic

Panamax

Modern panamax ships typically carry a weight of between 65,000 and 90,000 tonnes of cargo and can transit both the Panama and Suez canals

PPE

Personal protective equipment

PPI

Ukrainian producer price index

Probable Reserves

Those Measured and Indicated Mineral Resources which are not yet "proved", but of which detailed technical and economic studies have demonstrated that extraction can be justified at the time of determination and under specific economic conditions

Proved Reserves

Measured Mineral Resources of which detailed technical and economic studies have demonstrated that extraction can be justified at the time of determination and under specific economic conditions

Rail car

Railway wagon used for the transport of iron ore concentrate or pellets

Relationship Agreement

The relationship agreement entered into among Fevamotinic S.a.r.l., Kostyantyn Zhevago, The Minco Trust and the Company

Remuneration Committee

The Remuneration Committee of the Board

Reserves

Those parts of Mineral Resources for which sufficient information is available to enable detailed or conceptual mine planning and for which such planning has been undertaken. Reserves are classified as either proved or probable

Resources

Concentration or occurrence of material of intrinsic economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction

Sinter

A porous aggregate charged directly to the blast furnace which is normally produced by firing fine iron ore and/or iron ore concentrate, other binding materials and coke breeze as the heat source

Spot price

The current price of a product for immediate delivery

Sterling/£

Pounds sterling, the currency of the United Kingdom

STIP

Short-term Incentive Plan

Tailings

The waste material produced from ore after economically recoverable metals or minerals have been extracted. Changes in metal prices and improvements in technology can sometimes make the tailings economic to process at a later date

Tolling

The process by which a customer supplies concentrate to a smelter and the smelter invoices the customer with the smelting charge, and possibly a refining charge, and then returns the metal to the customer

Ton

US short ton, equal to 0.9072 metric tonnes

Tonne or t

Metric tonne

Treasury shares

A company's own issued shares that it has purchased but not cancelled

TSF

Tailings storage facility

TSR

Total Shareholder Return. The total return earned on a share over a period of time, measured as the dividend per share plus capital gain, divided by initial share price

UAH

Ukrainian hryvnia, the currency of Ukraine

UK adopted IFRS

International Financial Reporting Standards adopted for use in the United Kingdom

Ukr SEPRO

The quality certification system in Ukraine, regulated by law to ensure conformity with safety and environmental standards

Underlying EBITDA

The Group calculates the underlying EBITDA as profit before tax and finance plus depreciation and amortisation, adjusted for net gains and losses from disposal of investments property, plant and equipment, effects from share-based payments, write-offs and impairment losses and exceptional items

Underlying EBITDA margin

Underlying EBITDA (see definition above) as a percentage of revenue

US\$/t

US dollars per tonne

Value-in-use

The implied value of a material to an end user relative to other options, e.g. evaluating, in financial terms, the productivity in the steelmaking process of a particular quality of iron ore pellets versus the productivity of alternative qualities of iron ore pellets

VAT

Value added tax

WACC

Weighted average cost of capital

WAFV

Weighted average fair value

WMS

Wet magnetic separation

Yeristovo or Yerystivske

The deposit being developed by FYM

Mr Zhevago/Kostyantyn Zhevago

Kostyantyn Zhevago, one of three beneficiaries of The Minco Trust. The Minco Trust is the indirect parent undertaking of Fevamotoinico S.a.r.l. which in turn holds 49.3% of the voting rights in Ferrexpo plc as at the date of this report.

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GATHER

Consultancy, design and production
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