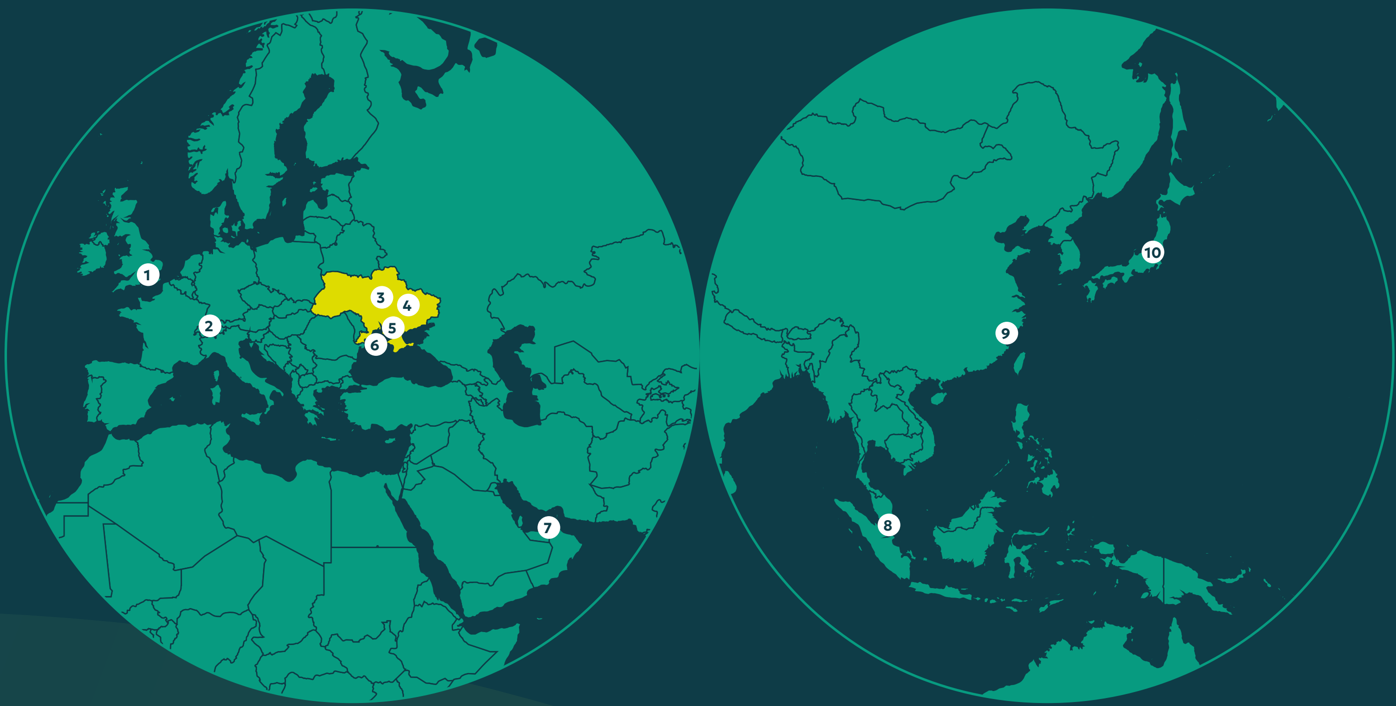
FERREXPO

United in **purpose**

Ferrexpo plc
Annual Report & Accounts 2024

As a leading European supplier of premium iron ore pellets we are enabling the transition to green steel. Our products are important to Ukraine and to customers around the world.

We are determined to protect our people and our assets so that we may continue to operate and contribute positively to Ukrainian society and the economy.



Who we are

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

Read more
Pages 20-25

Read more
Pages 26-29

What we do

We are a vertically integrated producer and supplier of high-grade iron ore products. Our long-life deposits feed ore to our modern processing and beneficiation plants to produce high grade iron ore products which we can deliver by rail, barge or ship to our customers.

Read more
Pages 20-25

1 **Ferrexpo Plc,** London
2 **Ferrexpo AG,** Baar
3 **Ferrexpo Services Ltd,** Kyiv
4 **Operations,** Horishni Plavni
5 **Port facilities**
6 **First DDSG,** Danube
7 **Office,** Dubai
8 **Office,** Singapore
9 **Office,** Shanghai
10 **Office,** Tokyo

For references to Ferrexpo plc in this report see glossary.

Purpose and values

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

Read more **Pages 11-13**

Strategic direction

The war has taught us to be flexible and adaptive to the challenges we face. Our focus is 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.

Read more **Pages 14-15**

HIGHLIGHTS OF THE YEAR

Despite the challenges of operating during a third year of war, 2024 marked a year of unprecedented achievement for Ferrexpo. The reopening of Ukrainian Black Sea ports allowed us to increase production and sales, supplying customers in MENA and Asia for the first time since the full-scale invasion in February 2022.

6.9 Mt
66% increase in production compared to 2023

US$69M
EBITDA, 30% decrease compared to 2023

US$74M
of taxes and royalties paid in Ukraine in 2024

US$102M
capital investment in 2024

8,000
strong workforce

US$28M
humanitarian aid* since February 2022

FTSE 250

FTSE4Good

*including CSR spending

A year of unprecedented achievement

Undeterred by the challenges of a third year of war, 2024 marked a year of unprecedented achievement for Ferrexpo.

Our people worked as a united team to bring back production and increase sales to the highest levels since the start of the full-scale invasion in February 2022. In the first quarter of 2024 alone, production and sales doubled compared to the final quarter of 2023. We also brought back production of our highest quality, and higher margin products. I am very pleased that our organisation has been able to achieve such a dramatic recovery, during a time of war.

A MORE AGILE AND FLEXIBLE BUSINESS

Throughout the operational recovery of 2024, the business demonstrated tremendous agility, by coordinating more than 8,000 people, from the mine face to dock side, varying production between one and three of our four pelletising lines, depending on power availability, customer demand and pricing. By quickly scaling up or down our production, we were also able to produce a variety of different product qualities and restart shipping activities on a variety of vessel sizes, including the larger, more efficient capesize vessels. This allowed us to diversify geographically to supply existing and new customers in MENA and Asia, having previously been constrained logistically to mainly European markets.

PRESERVING OUR BUSINESS IN A CHALLENGING ENVIRONMENT

This agility was important during 2024. In the first quarter, we were able to benefit from higher production volumes sold at higher iron ore prices. This allowed us to increase salaries and invest to preserve the integrity of our assets. As the year progressed, however, iron ore prices fell, month after month. New war-related challenges, in particular the need to import power at significantly higher tariffs, resulted in our costs increasing. These factors combined have eroded our margins and cash position, more of which our Chief Financial Officer reports on in his statement on the following pages.

CONTRIBUTING TO THE UKRAINIAN ECONOMY AND TO SOCIETY

Despite the challenges, our business remains relevant. During the year, in Ukraine, we paid US$54 million in salaries and procured US$657 million in goods from our suppliers. We generated US$933 million in revenues, and paid US$74 million in taxes and royalties. We also continued to fund humanitarian and social initiatives, including making large donations to address critical national emergencies. These are significant contributions that support employment and livelihoods, sustain communities, and contribute to Ukraine's resilience.

When I look at our business and our people, I see a relentless energy of purpose, a drive to work hard, and a determination to keep delivering, time and time again. To this end, I have asked my fellow Executive Committee members to convey in detail how their respective functions – from operations to marketing to finance and human resources – have adapted, and how they add value to the business during a time of war. It is important to me that shareholders understand that, whilst we are consumed by war, we are navigating through it.

COLLEAGUES SERVING IN THE ARMED FORCES AND VETERANS RETURNING

At the end of 2024, 706 of our colleagues were serving in the Armed Forces of Ukraine. We support serving colleagues through the provision of equipment such as bullet proof vests, ballistic helmets, clothing items, sleeping bags and mats, tactical first aid kits, and seemingly ordinary daily essentials such as mess kits and sanitary items. We maintain constant contact with them, either directly or through relatives, so that we can continue to supply them with replacements and additional items that make military life more manageable. We also guarantee their jobs when they return as veterans.

Indeed, as the war continues, we are welcoming an increasing number of veterans home – 160 at the end of December 2024. The Ferrexpo Veteran Support Service guides them through decommissioning, convalescence, their physical and mental health needs, and, when they are ready, return to the workplace, including retraining if necessary. It is clear that mental health is one of the biggest challenges that we must rise to – not just for the veterans, but also for family members. In this report, we present a detailed case study on the support we provide for veterans and their families, in a new section titled "People".

PREPARING TO BE AN IMPORTANT PLAYER IN UKRAINE'S RECONSTRUCTION

Reconstruction of Ukraine is an important part of our future. It is one part of the plans we progressed during 2024 to play an important role in the reconstruction of Ukraine. As a Ukrainian industrial company, with headquarters and stock exchange listing in Western Europe, we are uniquely positioned to play a leading role in reconstruction. We have the skills and experience raising capital on international markets to invest in Ukraine, following the high governance standards international investors expect. Our first step will be to restore full production, which has been constrained due to the war. Subsequently, we plan to expand further and to decarbonise, allowing us to increase our contribution to the Ukrainian economy and society.

GOVERNANCE

As in previous years, the Board met more frequently than is required. There were no changes to the Board during 2024, and only a few changes within the sub-committees. Subsequent to the 2024 reporting period, Natalie Polischuk resigned from the Board of Ferrexpo in January 2025. I am particularly grateful to Natalie who, as Chair of the Health, Safety, Environment and Community ("HSEC) Committee, oversaw our Humanitarian Fund and CSR activities, which have provided a tangible positive social impact for our workforce and communities since the start of the full-scale invasion. Following Natalie's resignation, the Board continues to have a majority of independent Non-executive Directors and a search for a new independent Non-executive Director is ongoing.

I close my letter as I opened it: 2024 marked a year of unprecedented achievement for Ferrexpo. It was pleasing that 2024 was also capped by a series of awards for our business and our people, and a strong rally in the share price at the end of the year that resulted in us re-entering the FTSE 250.

I recognise it has been a difficult year, and I am grateful to every colleague for their exceptional efforts and to our shareholders and broader stakeholders for their continued support.

Lucio Genovese
Interim Executive Chair, Ferrexpo Plc

United against **challenges**

In 2024, our business was dominated by a third year of war in Ukraine, while at the same time having to manage the cyclical dynamics of the iron ore and steel sector in a global economy being shaped by other transformational forces.

CHALLENGING MARKETS FOR IRON ORE

Iron ore markets traditionally exhibit some seasonality in demand and pricing, both positive and negative. For example, extreme weather can disrupt supply from various markets as well as influence production rates of steel mills and limit or increase demand for our products.

There are also shorter-term dynamics affecting the iron ore and steel markets. Examples of factors that affected Ferrexpo in 2024 include economic contraction in Europe, evidenced by weakness in the automotive sector, resulting in less demand for steel and, ultimately, the iron ore pellets we supply to our European customers.

INCREASED PRODUCTION COUNTERED HIGHER COSTS AND WEAKER REALISED PRICES

This complex environment is reflected in our financial results. A 66% increase in production translated into a 43% increase in revenue due to a 17% fall in realised prices. Higher production volumes supported a better absorption of our fixed costs on a unit cost basis, although this remained suboptimal as we operated at below two thirds of our full capacity. Overall, our C1 cash costs on a unit basis increased by 10% to US$83.9 per tonne. The main reason for this increase is the requirement to import electricity at prices sometimes double the usual domestic tariff. We also continued to incur higher costs compared to the period before the full-scale invasion for other energy sources, key consumables, transport and logistics, and to fund necessary salary increases.

Reflecting the broader macroeconomic challenges in Ukraine, the Ukrainian hryvnia depreciated 10% against the US dollar in 2024. This had a positive impact on our financial statements, resulting in a net US$44 million foreign exchange gain for the year. Historically, it's fair to say that the devaluation of the Ukrainian hryvnia offsets cost inflation, but this was less the case in 2024, particularly as we incurred more costs in other currencies, for example, to purchase imported power.

The non-cash impairment loss of US$72 million recorded as at 31 December 2024 on the Group's non-current operating assets, including property, plant and equipment, intangible assets and other non-current assets, is the result of the Group's lower cash flow generation driven by a decrease of prices for iron ore products due to a less optimistic long-term outlook for the iron ore market and higher prices for input material due to the ongoing war in Ukraine.

Although the Group made a loss of US$50 million, had the impairment of US$72 million not occurred the Group would have made a profit of US$22 million. This was 52% lower compared to 2023, if the provisions of US$131 million recorded for legal disputes are added back. This demonstrates that, while the strategy to bring back production volumes did not result in the expected profit growth, it helped to limit losses in the face of exceptional challenges.

A YEAR OF TWO HALVES

Behind the headline annual numbers, there are some interesting themes worth pointing out. First, the annual results are a tale of two halves. During the first half of 2024, we sold 56% of our production at prices that were on average 10% higher than those in the second half; and average C1 costs in the second half of the reporting period were 13% higher compared to the first half.

Indeed, in the interim results we reported an Underlying EBITDA of US$79 million, whereas for the full year, it has fallen to US$69 million, reflecting the more challenging second half of the year and a reduction in realised profits. As we move into 2025, and at the time of the release of this report, we are in the fourth year of war, and it is important to state that operating conditions continue to be challenging, and we have not yet seen any improvement in iron ore prices or costs.

ADDING VALUE THROUGH OUR WORK

Preparing for and responding to these challenges is one of the ways that the finance function demonstrates how we add value to the business. In many senses we are a nexus that co-ordinates 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.

Our challenge was greater in 2024 because we had to diligently manage our cash flows while ensuring adequate liquidity – without access to debt or trade finance. This was particularly demanding in the first quarter because we had to deploy capital into operations to expand mining and processing rates, whilst at the same time the cash cycle lengthened due to more goods in longer transits as we resumed seaborne sales to Asia.

SOLID INVESTMENT

Since the full-scale invasion in February 2022, the Group has invested US$352 in capital expenditure in Ukraine. This is in addition to over US$300 million in tax and royalty payments in Ukraine, and US$1.8 billion we have spent procuring goods and services.

In 2024, we invested US$102 million in our operations, in line with the previous year. Around 40% of the Capex was spent on maintenance, helping to restore and maintain production capacity, thereby ensuring the integrity of our assets. It was complicated at times, as we operated between two and three pellet lines due to volatility in power availability and market constraints. Overall, we deployed the majority of this capital on development projects. Some of the larger capital investments included additional funds for the new press filtration complex in the first half of the year and, in the second half, a new concentrate conveyor line along the production circuit to produce iron ore concentrates concurrently with pellet production, rather than being limited to producing only pellets or concentrates at any one time.

BUILDING MORE FLEXIBILITY IN OUR BUSINESS

The outcome of these investments is that we have built in further operational flexibility, and, at the same time, continued to improve the quality of our products. In turn, this means that we can be more responsive to short-term changes in market dynamics and to our customers' evolving needs.

THANKS

I would like to express my gratitude to the many colleagues across our business for their commitment and hard work throughout another challenging year for the Group. It is their collective effort that enabled us to adapt quickly to market opportunities and challenges to achieve a year-end net cash position of US$101 million.

In particular, I would like to convey my thanks to the finance team, from colleagues on the ground in Horishni Plavni, to here in Baar and elsewhere; those working in financial planning and management, accounting, treasury, reporting and internal audit. A tremendous amount has been achieved this year to keep our business relevant and one step wiser for the year ahead.

Nikolay Kladiev
Group Chief Financial Officer

With all our operations based in Ukraine, our workforce and facilities continue to be affected by the ongoing war. In this section we detail the ongoing and changing effects of war on our people, communities, operations and logistics.

PEOPLE

The safety and wellbeing of our people are our primary concern. People want to work, to secure their livelihoods and to feel they are contributing to the broader war effort. It is our responsibility to ensure that they can do so safely.

At the end of 2024, our workforce in Ukraine comprised 8,542 employees and contractors. This includes 706 colleagues serving in the Armed Forces of Ukraine. 160 have been discharged from the armed forces, of whom 102 have returned to work.

Throughout the war, we have maintained a full workforce. Production rates can fluctuate because of factors beyond our control, such as the availability of power or access to logistics capacity. For this reason, there have been times we have had to place some employees on furlough; and others when we have asked employees to work extra hours or defer planned leave. Our people have come to understand that this flexible model ensures that the business can continue to operate.

Following missile and drone attacks on Ukraine's energy grid, power outages and load shedding were more frequent during 2024. These result in frequent interruptions to the working day, as well as time at home. They may also mean working in unlit buildings, with limited heating in winter or air conditioning in summer. At these times the resilience of our people is clear: working extended hours, switching to battery and generator backups, and a 'just get on with it' approach, when it is too hot, too cold or too dark. Air raid alerts during missile and drone attacks are frequent. At these times we require all employees to seek shelter underground or in bomb shelters. This results in additional interruptions to the working day, and travel to and from the workplace. Of course, air raid alerts also affect time at home, which can interrupt sleep, domestic activities, and schooling, placing a major strain on an individual's daily life and psychological wellbeing.

Our role as an employer is to protect the safety and security of our people. We aim to do this in several ways. Physical protection through allowing people to work from home (where feasible), and the provision of underground and bomb shelters are some examples. Mental health and wellbeing are increasingly important as the war prolongs. The "Ferrexpo Wellbeing and Psychological Support Project" has been operating since February 2022. The objective of this project is to support mental health issues that employees and their families are experiencing as a result of the war. Its implementation helped employees understand that seeking psychological support is acceptable. Access to anonymous consultations with leading specialists allows employees to work through crisis situations. Cultural and sporting activities are important contributors to general wellbeing. Examples include: our corporate theatre project called "FerroTale", which has attracted an audience of over 3,000 since it was launched and raised over UAH500,000 for the Armed Forces of Ukraine, and our annual charity run which attracted over 250 participants and raised funds for a socialisation programme for children with disabilities.

LOCAL COMMUNITIES

As the principal employer in the city of Horishni Plavni, we have always played a central role in the community. This has become more important since the full-scale invasion, as local and national authorities are under significant strain and the pressures on the community are formidable.

At its most basic, a resilient community needs functioning infrastructure, health and educational services. 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.

Humanitarian support

US$28M

A resilient community also needs cultural and sporting facilities and events to keep people occupied and healthy. FerroTale and the charity run mentioned above are good examples. During 2024, we placed additional emphasis on funding sports, facilities such as gyms, swimming pools and stadiums, and teams that compete at a national level, including men's and women's football, basketball and rowing. Ferrexpo plays a vital role in supporting sports for individuals with disabilities by funding facility upgrades and equipment purchases. This support helps all athletes, regardless of physical ability, further solidifying Horishni Plavni's reputation as a hub for athletic excellence.

Since the full-scale invasion, community needs have evolved. In the early days, we were focussed on housing and feeding refugees, later on providing equipment such as generators, laptops, and mobile phones, and more recently, on mental health and wellbeing. Through the Ferrexpo Humanitarian Fund and usual CSR spending, we have supported over 100 humanitarian projects and initiatives that have not only helped our immediate communities, but also supported another 11 regions across Ukraine, reaching an estimated five million people in total.

More information on supporting our communities can be found in our latest Responsible Business Report on pages 44-63 and in a case study about our support for veterans on pages 42-43.

OPERATIONS AND LOGISTICS

Our operations are large in scale and follow a relatively simple process flow: mining, processing and beneficiation, with considerable built-in production flexibility at each stage.

The reopening of the Ukrainian Black Sea ports at the end of 2023 removed the limitations of exporting only by rail, river barge and out of alternative Black Sea ports. Production activities therefore ramped up in the final quarter of 2023 and first quarter of 2024 to fill this additional export availability.

Since the start of the full-scale invasion, we have learnt to adapt to ever-changing conditions and have built significant flexibility into our operations. This has included establishing alternative suppliers for critical inputs and adopting an operating model that can quickly scale up or down, using one to three of our four production lines, and managing our human resources accordingly.

During 2024, we experienced frequent interruptions to the power supply, disrupting throughput of ore, concentrates and pellets. We had to learn to manage these outages and keep operating so as to reduce production cycle down-time and losses. This took time, but we have become adept at mitigating power shortages and have mostly been able to ensure constant production.

The reopening of Ukrainian Black Sea ports also presented some challenges, as port facilities required repairs and capacity was restored slowly. Vessel loading times improved throughout the first half, resulting in more optimal laycan and minimising demurrage charges. At the end of 2024, the ports were operating effectively, and we are starting to see more ship owners expressing interest in taking Black Sea cargoes as well as a lowering in tariffs and insurance risk premiums. As long as it continues to be safe to operate out of the Black Sea, we will continue to do so in 2025.

Remembering those we have lost

Tragically, ten colleagues were killed serving in the Armed Forces of Ukraine during 2024, bringing the total to 46 since February 2022.

We mourn their passing and honour their selfless and brave strength.

2022

Andriy Albit, age 34
Dmytro Belikov, age 32
Oleksiy Bridnya, age 33
Andriy Chernya, age 37
Oleksandr Chugainov, age 54
Guy Dudka, age 52
Andriy Dukanych, age 33
Serhiy Kharlamov, age 57
Serhiy Kondyk, age 31
Denys Koshovyy, age 31
Oleksiy Nazimov, age 25
Kostiantyn Orchikov, age 30
Oleksandr Scherbakov, age 28
Denys Svyrydov, age 50
Yaroslav Taran, age 50
Oleksiy Yatskov, age 36
Anatoliy Zakupets, age 37

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 31
Vitaliy Med, age 40
Ihor Novohatniy, age 39
Volodymyr Pavlenko, age 43
Petro Perovskiy, age 25
Andriy Petrenko, age 49
Serhiy Pizniy, age 34
Oleksandr Smyrnov, age 32
Vladyslav Solomko, age 33
Oleksandr Terlenko, age 48

2024

Viacheslav Burhardt, age 38
Maksym Dmytryienko, age 44
Kostiantyn Koposov, age 39
Ihor Koriakovtsev, age 43
Oleksandr Koval, age 53
Eduard Lozenko, age 45
Volodymyr Taranyshych, age 37
Roman Vernyhora, age 43
Mykola Yastrebkov, age 35
Ruslan Yerko, age 31

SLAVA UKRAINI.

Ferrexpo is a vertically integrated, pure-play iron ore pellet producer and supplier

What we do

Mining

Processing

Transportation and logistics

The competitive advantages that help us to create value

QUALITY ASSETS

Our world-class, long-life deposits hold 5.7 billion tonnes of JORC-compliant mineral resources.

Contiguous open pit mines use modern equipment and have an industry-leading safety performance.

50YEARS

Mineral Reserves

LOW-COST PRODUCTION

Our ore processing metallurgical beneficiation and pelletiser plants produce a variety of pellets.

Established and efficient large-scale plants with built-in operational flexibility to supply evolving customer needs.

12MT

Annual capacity from four pelletising lines

GLOBAL DISTRIBUTION

Owned transport equipment and logistics infrastructure, including rail, ports, river and ocean vessels.

Flexible handling and shorter delivery times to Europe and MENA than global peers.

3RD

Largest exporter of pellets globally (pre-war)

REINVESTMENT INTO PEOPLE, TECHNOLOGY INNOVATION AND R&D

Our high quality products are preferred by premium steel producers around the world and are enabling the transition to green steel, whilst at the same time supporting the Ukrainian economy.

Marketing

PREMIUM PRODUCTS

We have relationships with premium steel mills around the world, serving customers in Europe, MENA and Asia

Our premium products enable us to add more value for customers, supporting higher margins.

65-67%

Fe content in all our products

The outcomes we deliver

Economic

- ROBUST PRE-WAR EARNINGS TRACK RECORD
- SHAREHOLDER DISTRIBUTIONS
- FISCAL CONTRIBUTIONS

Social

- INVESTMENT IN UKRAINE
- SUPPORT DURING TIME OF WAR
- SUPPORTING OUR WORKFORCE AND COMMUNITIES
- DEVELOPING OUR WORKFORCE

Environmental

- ENABLING GREEN STEEL
- SUPPORTING THE DRIVE TO NET ZERO

Read more on how we create value for all of our stakeholders on **pages 56 to 61**

Why invest in Ferrexpo?

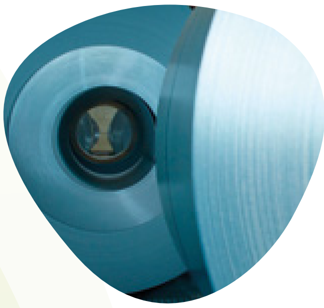
What's the industry challenge?

The essential nature of steel

>1.8BN

Total steel production in 2024 (tonnes)

Iron ore is the main ingredient to make steel, on which our everyday lives depend. If something is not made of steel, it is made using it. Steel is also integral to the energy transition and critical for energy generation technologies and end-user products such as electric vehicles.



Transition to green steel

7%

Global greenhouse gas emissions currently generated through steel production

Traditional steel production is emissions-intensive. Legislation and environmentally conscious end users are driving a shift to lower and zero carbon steel, and the associated feedstocks and production methods.

US$376BN

Value of global iron ore trade in 2024

+200MT green steel

Forecast global lower and zero carbon steel demand growth by 2030

30%

Forecast growth in demand for steel by 2050

80MT DR pellets

Forecast global demand growth for DR pellets by 2030, over one third of which in Europe

Why are we well positioned for the future?

Our industry-leading products

-37%

Lower global warming potential of steel made with Ferrexpo DR pellets

Ferrexpo is already a leading supplier of premium iron ore pellets and Direct Reduction Iron ("DR") pellets, the products needed to transition to lower carbon steel. When used in an electric arc furnace ("EAF"), our DR pellets are proven to improve productivity and lower carbon emissions.

Established large scale operations

50+ YEARS

Life-of-mine high grade magnetite deposits

As the only publicly listed, vertically integrated iron ore pellet producer and supplier of its size in Europe, Ferrexpo is uniquely positioned. The established scale of our assets, and the infrastructure, technology and skills that we have invested in over decades, are difficult to replicate.

Our focus on responsible operations

0.54 LTIFR

Good safety performance. 2024 slightly above five-year historical average 0.52

Before the war, Ferrexpo was the world's third-largest exporter of iron ore pellets. We have committed to decarbonisation and Net Zero by 2050. We are a significant contributor to the local communities where we operate, and the Ukrainian economy.

100 MTPA

Forecast DR grade pellet deficit by 2031 as pellets outpace traditional concentrates

Pellet efficiency

DR pellets command premium prices due to their efficiency in lower carbon steel making

Large scale

Mines and pellet lines ensure flexible production

Owned logistics infrastructure

Providing multiple export routes to a global customer base

50% reduction

2050 Net Zero pathway, targeting 50% reduction in Scope 1 and 2 by 2030

US$28M

Funding for more than 100 humanitarian and social projects and initiatives

Strategic **direction**

Managing the business through a prolonged war has taught us to be flexible and adaptable to the constant challenges that we face. It is important that, despite the war, we continue to consider our longer-term strategic direction to remain resilient.

Our five strategic principles may not always resonate with the immediacy of war, but they continue to help guide us through uncertainty and provide a framework for decision making that will affect us over the longer term.

In this way, we are able to build trust for our stakeholders, from employees to investors, and ensure we are managing the business appropriately today, with a view to value creation in the future.

We cannot currently say that our operations are low cost when benchmarked to international peers; we are, however, very focused on identifying every opportunity to optimise costs, preserve the integrity of our assets, and improve operating efficiencies. This year, we invested US$102 million into our assets, including US$65 million in capital investments for development projects. In this sense, lowering the cost of operations is an immediate strategic priority.

High quality production

Focus on higher grade premium iron ore products that enable our customers to transition to lower carbon steel.

2024 PROGRESS AND HIGHLIGHTS

- 66% increase in production.
- High grade focus with 100% of all pellet and concentrate production grading 65% Fe or higher.
- Record annual DR pellet sales, even compared to before the full-scale invasion.
- Capital investments resulted in improvements in the physical strength and chemical quality of higher-grade pellets.

2025 AMBITIONS AND TARGETS

- Continue to expand DR pellet customer portfolio and production.

Read more
Pages 20-29

Focus on sustainability

Through sustainable, ethical partnerships, realise value for all stakeholders, prioritising support for Ukraine during a time of war.

2024 PROGRESS AND HIGHLIGHTS

- Safety performance below the five-year trailing average.
- Zero fatalities for the fourth consecutive year.
- Publication of second Climate Change Report determined and on track to realise Net Zero pathway, even in a prolonged war scenario.
- Publication of eighth Responsible Business Report framed by a Double Materiality Assessment.
- Scope 1 and 2 emissions increased due to the mandatory requirement to import up to 80% of electricity from carbon-intensive sources outside of Ukraine.

2025 AMBITIONS AND TARGETS

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

Read more
Pages 49-53

Low cost operations

Conserve the integrity of our assets and continue investing to maintain competitive cost of production.

2024 PROGRESS AND HIGHLIGHTS

- C1 costs increased 10% to US$84 per tonne due to higher electricity tariffs.
- Fixed overheads reduced on a unit basis due to a 66% increase in production.
- Logistics costs reduced on a unit basis.
- Cost savings programme strengthened.
- More stable supply chain eased procurement risks for key consumables.

2025 AMBITIONS 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.

Read more
Pages 20-25

World-class customer network

Working in partnership with our customers to improve efficiencies and decarbonise steel production.

2024 PROGRESS AND HIGHLIGHTS

- Reopening of Ukrainian Black Sea ports enabled expansion of sales.
- Restoration of supplies to existing and new customers in Europe, MENA and Asia.
- MoUs signed with premium customers to deepen co-operation, in particular for lower carbon iron ore feedstocks.
- Meetings around the world with existing and potential customers.
- Attendance at global iron ore and steel industry events.

2025 AMBITIONS AND TARGETS

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

Read more
Pages 26-29

Disciplined capital allocation

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

2024 PROGRESS AND HIGHLIGHTS

- Increased production boosted sales revenue, offsetting higher costs.
- Focus on expanding premium products enhanced total sales margins.
- Shorter production and logistics periods permitted some strategic pricing.
- US$108 million capital investment.

2025 AMBITIONS AND TARGETS

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

Read more
Pages 30-35

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 figure, 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 page 237 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 CO_2 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.

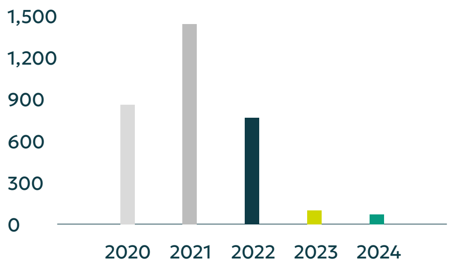
These non-financial KPIs represent a broad snapshot of our approach to responsible business, DEI, climate change, and commitment to enabling our customers' transition to green steel.

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 didn't. In the spirit of transparency, we will continue to report these numbers against the four proceeding years so that our progress can be tracked.

Financial KPIs

Underlying EBITDA

US$69M



LINK TO STRATEGY AREAS:

2024 PERFORMANCE

Underlying EBITDA in 2024 fell 30% to US$69 million. This is due mainly to increased sales volumes, although it also reflects deteriorating realised prices and pellet premiums throughout the year, and a 10% increase in C1 costs.

Underlying EBITDA also includes operating foreign exchange gains of US$83 million in 2024 compared to US$31 million in 2023. These foreign exchange differences are due largely to the fluctuation of the exchange rate of the Ukrainian hryvnia against the US dollar.

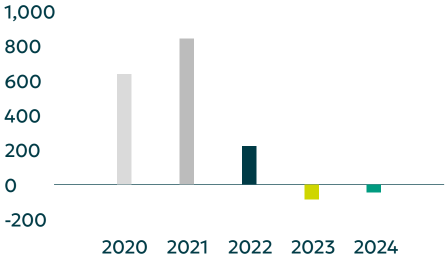
2025 OUTLOOK

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 Underlying EBITDA can be found on **page 33**

Profit/(Loss) after tax

-US$50M



LINK TO STRATEGY AREAS:

2024 PERFORMANCE

The Group reported a loss of US$50 million for the year. This is largely due to a non-cash impairment loss of US$72 million. This compares to a loss of US$85 million in 2023, due largely to provisions for ongoing legal proceedings and disputes in Ukraine totalling US$131 million. The improvement for 2024 is due to higher sales volumes, albeit at lower margins. Group taxation for 2024 increased due to the gradual introduction of the OECG and G20 'Global Minimum Tax Rate' of 15% which affects the Group's sales and bases in the UAE and Switzerland. The Group effective tax rate increased from 26.1% in 2023 to 33.7% in 2024.

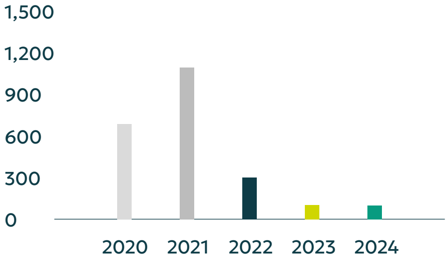
2025 OUTLOOK

Like other factors, the Group's outlook for the year ahead is heavily dependent on the war. In 2025, 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 34**

Net cash flow from operating activities

US$92M



LINK TO STRATEGY AREAS:

2024 PERFORMANCE

The net cash flow from operating activities for the year was US$92 million, slightly lower than in 2023. Despite lower operating cash flow, this was offset by positive effects from working capital movements as of 31 December 2024.

Despite this, the Group maintained a closing balance of cash and cash equivalents at US$106 million as of 31 December 2024 (2023: US$115).

2025 OUTLOOK

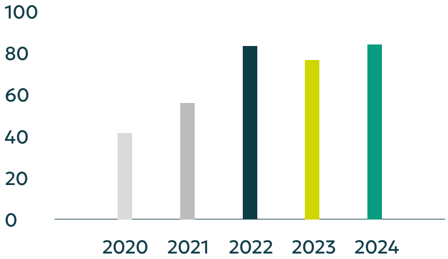
The Group's financial performance, including net cash flow from operating activities, is dependent on the ongoing war, with a wide range of potential outcomes.

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 34**

C1 cash cost of production

US$83.9/t



LINK TO STRATEGY AREAS:

2024 PERFORMANCE

The average C1 costs for 2024 increased 10% to US$83.9 per tonne compared to US$76.5 per tonne in 2023. The main reason for the increase was higher electricity prices because of requirements to import up to 80% of electricity from Ukraine's neighbours at higher tariffs than domestically produced electricity. An increase in production volumes helped to absorb large fixed overheads, however, as the Group continues to operate at below full capacity, absorption continues to be below the full capacity potential.

2025 OUTLOOK

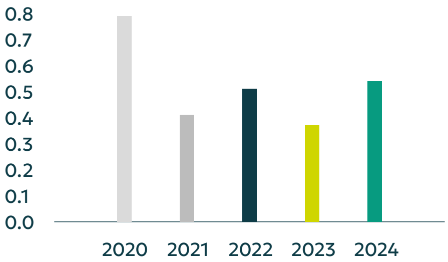
The war in Ukraine affects a range of production outcomes and the Group will likely continue to operate below full capacity. Continued attacks on Ukrainian energy infrastructure are likely to result in an ongoing need to import power, and supply chains for key consumables will continue to be constrained.

More information on C1 cash costs of production can be found on **page 32**

Non-financial KPIs

Lost-time injury frequency rate ("LTIFR")

0.54 LTIFR



LINK TO STRATEGY AREAS:

2024 PERFORMANCE

Safety is the Group's highest priority. The Group's LTIFR has remained at a relatively low level for approximately five years, falling from an average of 1.18 (2016–2018) to an average of 0.54 for 2024, above the Group's historical five-year trailing average of 0.52. It is also higher than the 0.32 reported in 2023. This is due to an increase in reported injuries during the year. The Group's operations have remained fatality-free for more than four successive years.

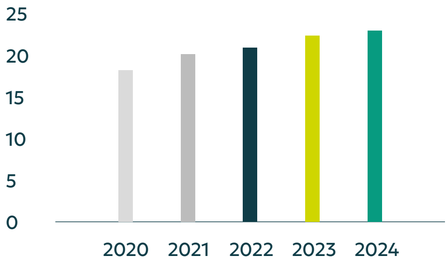
2025 OUTLOOK

The Group has maintained a low level of injuries and injury incidents in recent years. The Group aims to continue this progress, through targeting zero lost-time injuries. In 2022, Ferrexpo introduced a 'Zero Harm' policy that aims to ensure all workers return home safely from every shift.

More information on health and safety can be found on **page 46**

Diversity in management roles

22.9% female



LINK TO STRATEGY AREAS:

2024 PERFORMANCE

Female representation in managerial positions increased to 22.9% in 2024, compared to 22.3% in 2023, following a multi-year trend from 18% in 2019. The Group target is 25% by 2030.

Ferrexpo has initiatives to promote diversity in many forms – including based on gender, disability, sexual orientation and cultural diversity. Gender diversity is measured in several 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 is a reflection of women progressing their careers at Ferrexpo.

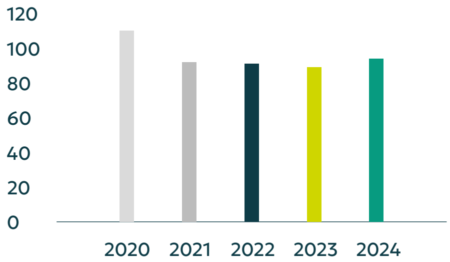
2025 OUTLOOK

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 fifth year of selecting and training high potential future female leaders of our business. This programme has trained over 200 participants since its inception.

More information on diversity in our workforce can be found on **page 47**

Greenhouse gas emissions

94kg/t



LINK TO STRATEGY AREAS:

2024 PERFORMANCE

Scope 1 and 2 emissions per tonne (unit basis) increased by 5% to 94kg/t 2024, compared to 89kg/t in 2023. The increase mainly reflects a mandatory requirement in Ukraine to import up to 80% of the operation's electricity needs from abroad. This is generated mostly from carbon-intensive sources, in contrast to domestic electricity generated from cleaner sources including hydro and nuclear power. Absolute Scope 1 and 2 emissions increased by 64% year-on-year, reflecting higher overall production in the year.

During the year, the Group produced 489,720 DR pellets, a record amount even for years before the full-scale invasion. Consequently, Scope 3 emissions on a unit basis decreased to 1.31 tCO_2/t of pellet production from 1.32 tCO_2/t in 2023. Absolute Scope 3 emissions increased 11% year-on-year, reflecting higher overall pellet production and increased seaborne logistics.

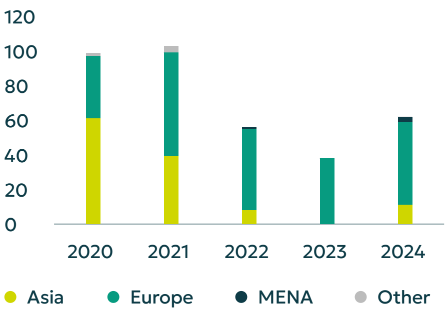
2025 OUTLOOK

The Group aims to continue its decarbonisation pathway, although a protracted war may require some revisions to targets. The current targets include a 50% reduction in Scope 1 and 2 emissions by 2030. Due to the war in Ukraine, it is difficult to estimate short-term outcomes in emissions reduction, but we remain focused on our goal to decarbonise.

More information on greenhouse gas emissions can be found on **pages 49 to 51** and also the Group's second Climate Change Report

Sales volumes

64% increase



LINK TO STRATEGY AREAS:

2024 PERFORMANCE

Group sales increased by 64% to 6.8 million tonnes compared to 4.2 million tonnes in 2023, due mainly to the reopening of Ukrainian Black Sea ports. This provided the Group with the opportunity to increase 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.

As a result, in 2024, sales to European customers increased by 26% to 5.3 million tonnes compared to 4.2 million tonnes in 2023. During this period, relationships with our premium European customers deepened during the year with the signing of several MoUs to explore DR pellet sales, enhance pellet quality and explore the decarbonisation of logistics routes. MoUs were also signed with customers in Asia and MENA.

2025 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 is aiming to continue sales to Chinese and other Asian customers, and to its growing customer base in MENA.

More information on sales and marketing can be found on **pages 26 to 29**

1. The Group's definition of Europe includes sales to Turkey

United by our **shared goals**

As access to Ukrainian Black Sea ports reopened towards the end of 2023, our mining, processing, beneficiation and logistics teams worked around the clock to bring back idled production capacity for seaborne export. This meant that we were able to start 2024 on a strong footing, with a threefold increase in production in the first quarter of 2024, compared to the last quarter of 2023. This was a significant achievement due to the challenging circumstances war imposes on the workforce, and operations had to deal with power constraints due to relentless attacks on Ukraine's energy grid.

HEALTH AND SAFETY

In 2024, the Group recorded a fourth successive fatality free year. The average recorded lost-time injury frequency rate ("LTIFR") for the year was 0.54, higher than the 0.32 recorded last year, and above the 5-year trailing historical average of 0.52 due to an increase in recorded injuries.

RESERVES AND RESOURCES

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 mines on three deposits and additional licences for deposits contiguous with our existing operations. Across the Group's three active mines, JORC-compliant Ore Reserves at 1 January 2025 are estimated to be 1,595 million tonnes of iron ore, with an iron ("Fe") content of 32% Fe (2023: 1,615 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 (2023: 5,737 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 2024 is detailed in this report, including a new section detailing how we updated our Reserves and Resource models during the year.

MINING ACTIVITIES

In 2024, mining operations were sustained with limited interruption, achieving targets and maintaining higher productivity levels despite the challenges.

Timely repairs and maintenance played an important part in maintaining a high level of equipment reliability and availability. All necessary maintenance work is carried out in accordance with the regulations and in full, which ensured that production targets were achieved.

A critical factor in stable operation is the supply of spare parts and consumables. In 2024, the Company did not face any interruptions in the supply of components, which allowed us to maintain equipment in proper technical condition and avoid unplanned downtime.

PROCESSING AND BENEFICIATION ACTIVITIES

During 2024 the main factor determining production stability was the reliable supply of electricity. Due to intense attacks on Ukraine's power grid, the Group needed to import electricity from abroad, especially during cold weather periods. To mitigate this, special systems were implemented to run additional equipment through the night to accumulate concentrate stocks for the next day and reduce the risk of pellet production losses due to the potential power shortages.

In 2024, vacuum filtration technology was introduced after the successful launch of press filtration. This solution is intended to further enhance product quality and optimise production processes. Despite all the challenges, approximately 90% of the processing complex equipment is fully operational, which helping to maintain efficiencies.

UKRAINIAN LOGISTICS

Despite many logistics challenges, in particular transporting goods through the Odesa region, the Company managed to ensure a stable transportation process throughout 2024. 84% of all domestic rail transport was performed by the Group's own rail wagon fleet with only 16% using third-party providers.

Our own repair facilities played an important part in ensuring uninterrupted transportation. The Company's existing facilities almost completely cover the needs for maintenance, repair and refurbishment of rail wagons, which reduces dependence on external contractors and ensures a high level of rolling stock availability.

An important factor that could affect future costs is the initiative of state rail company, Ukrzaliznytsia, to index tariffs, which is likely to lead to higher freight costs. Ferrexpo is carefully analysing the potential impact of this decision and considering ways to minimise costs.

BELANOVO UPDATE

Due to the martial law on the territory of Ukraine, the mining operations at Belanovo are paused.

The expiry date of 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 the martial law period (9 May 2025). It is anticipated that a further six months will be available to submit an application for extension.

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 Mt to 614 Mt. In February 2025, the Ukrainian Geological Survey provided the original of the updated Special permit No. 3572 for Belanovo Deposit.

FBM continues the works with the State Authorities and Ukrainian business associations regarding the extension of 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 consists from FBM employees, was established at the enterprises of the mining industry of Ukraine. The team was involved extinguishing fires the result of the shelling of the critical infrastructure facilities in Kremenchuk District.

GROWTH PROGRAMME

The Group's expansion and decarbonisation programmes remain longer-term objectives. The initial Wave 1 programme to add 3 million tonnes production capacity a year continues to be reviewed. Desktop work, including optimisation studies, is ongoing. However, wherever possible, investment has been deferred. Nevertheless, despite the ongoing war, various capital expenditure projects aimed at improving product quality and efficiencies have advanced. For example, the Company installed technology in the pellet workshop to strengthen finished pellets, whilst increasing productivity and reducing iron losses, to generate cost savings and a reduction in Scope 1 emissions.

For more information on our plans to electrify the mining fleet please see the case study the **'Green Mine Initiative' in this report.**

During 2024, the Group increased production significantly, operating two mines and up to three of four pelletiser lines to achieve production of 6.9 million tonnes of high-quality iron ore products.

Viktor Lotous
Head of Ferrexpo's Operations in Ukraine (Ferrexpo Poltava Mining General Director)

OUTLOOK

Logistics availability will continue to determine sales and production during 2025. The Group intends to continue the operation of two to three pelletiser lines. Depending on the availability to continue exporting through Ukrainian Black Sea ports, the Group intends to continue expanding its customer base.

Whilst the Group cannot with any certainty offer production and cost guidance for 2025, there are some opportunities to enhance efficiencies, production and sales.

JORC-COMPLIANT ORE RESERVES AND MINERAL RESOURCES[1]

The Resources and 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 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[1], 17 months before the full-scale invasion of Ukraine. Both Gorishne-Plavninske-Lavrykivske ("GPL" or "FPM") and Yerystivske ("Yeristovo") 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 2025 Resource and Reserve update, the geological interpretation for the GPL, Yeristovo, Bilanivske (Belanovo) and Northern Deposits were checked and corrected where necessary following new data collected during 2023-2024 exploration campaign. The 2025 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 parameters have been modelled and added to the model. In addition, the bulk densities have been studied geostatistically and interpolated into the model. This has resulted in an improvement in the accuracy of local estimates.

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. Thus, a misalignment of the searching volume is avoided and the negative effect of extrapolation of ore into waste and vice versa is minimised.

To take into account different scenarios of economic extraction, the resource block model was built to the maximal depth of -1,000 m RL, including both ore and surrounding strata, and covering the surface well beyond the mining license areas. The block model was built for the time of initial mining (before stripping, 40 years from now to the past) to accurately reflect any surface movement at any chosen time period.

The Competent Person updated the Resources and Reserves for GPL and Yeristovo Deposits as of 1st January 2025 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 1st January 2024. Reconciliation of the model against actual mining data reported to DKZ has been conducted. Because 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 GPL and Yeristovo Deposits since the Belanovo Deposit is currently going through the process of reducing the licensed area and writing off low-grade lean mineralisation. The next full re-estimation of Resources and Reserves, including Belanovo, will be conducted when 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.

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

Operational performance

(000't unless otherwise stated)	2024	2023	YoY change
Production			
Iron ore mined	**20,278**	12,112	+67%
Strip ratio	**2.2**	2.0	+10%
Iron ore processed	**16,331**	11,576	+41%
Concentrate production	**6,723**	4,605	+46%
Pellet production	**6,071**	3,845	+58%
– Direct reduction pellets (67% Fe)	**490**	0	–
– Premium blast furnace pellets (65% Fe)	**5,581**	3,845	+45%
Commercial concentrate production	**819**	307	+167%
Iron ore sales			
– Pellets	**6,010**	3,868	+55%
– Concentrate	**819**	306	+168%
– Total products sold	**6,830**	4,174	+64%

JORC-Compliant Ore Reserves and Mineral Resources[2]

JORC-compliant Ore Reserves	Proven Mt	Proven Fe total %	Proven Fe magnetic %	Probable Mt	Probable Fe total %	Probable Fe magnetic %	Total Mt	Total Fe total %	Total Fe magnetic %
Gorishne-Plavninske-Lavrykivske ("GPL")	296	33	26	809	31	23	1,105	32	24
Yerystivske	205	30	25	285	33	26	489	32	26
Total	**501**	**32**	**26**	**1,094**	**32**	**24**	**1,595**	**32**	**25**

JORC-compliant Mineral Resources	Measured Mt	Measured Fe total %	Measured Fe magnetic %	Indicated Mt	Indicated Fe total %	Indicated Fe magnetic %	Inferred Mt	Inferred Fe total %	Inferred Fe magnetic %	Total Mt	Total Fe total %	Total Fe magnetic %
Gorishne-Plavninske-Lavrykivske ("GPL")	462	35	29	1,607	30	22	744	32	24	2,813	31	24
Yerystivske	254	35	29	566	34	27	382	33	27	1,201	34	27
Bilanivske	336	31	24	1,149	31	23	217	30	21	1,702	31	23
Total	**1,052**	**34**	**27**	**3,322**	**31**	**23**	**1,343**	**32**	**24**	**5,717**	**32**	**24**

2. 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 2025.

CASE STUDY

The ‘Green Mine’ initiative.

One of the biggest opportunities to reduce our own emissions is to electrify and automate our mining processes. This transition supports our environmental goals, while presenting a significant financial opportunity, such as through lower production costs. These efforts are central to Ferrexpo's Green Mine initiative, formalised in 2023.

We are working on the Green Mine initiative with MEC Mining, a leading global technical research and consulting firm. Together, we have undertaken a comprehensive research study based on a ten-year mine plan to identify opportunities for electrification of our mining operations.

IDENTIFYING A PATH FORWARD

PHASE 1

The study's solutions include:

- Excavators and dump trucks of various sizes that use diverse technologies from a range of original equipment manufacturers ("OEMs").
- Potential installation of trolley-assist technology, where heavy trucks are equipped with pantographs connected to overhead electric power lines to supplement the diesel engines with additional electric power. This leads to improved fuel efficiency, enhanced productivity – as trucks can ascend at greater speeds – extended engine life due to reduced strain on the diesel engine, and lower emissions.
- The replacement of the existing diesel and diesel-electric locomotive fleet with battery-electric locomotives and traction performance technologies.

A joint working group for the Green Mine has been established that includes internal specialists across disciplines such as mining, mining equipment and repairs, power and energy, finance and IT. The group has visited different mines and OEM facilities in North America, Asia and Australia, and attended industry events to review various options.

The research study favoured larger, 300-tonne capacity electric diesel trucks, powered by trolley-assist where feasible, based on the topography and scale of Ferrexpo's mining operations. The performance, emissions, cost and availability of the equipment were also considered.

PHASE 2

As a second phase, we identified a pilot area to install trolley-assist infrastructure and start conceptual design. This will consider the adoption and local needs in Ukraine and practical aspects, such as securing power supply, the optimal positioning of charging stations, maintenance requirements and the provision of spare parts. We appointed ABB, along with MEC Mining, to assist with the conceptual design for the pilot trolley-assist project. The pilot study determined the optimal sites of the mine pit ramp and haulage road on the dump at FYM.

The study also determined a specification of ABB power equipment including the eTrolley Catenary System and Rectifier Substation, the optimal fleet size, staffing requirements, tyre specifications, spare parts, maintenance requirements and auxiliary equipment needs. This analysis has provided us with a comprehensive understanding of the project's capital costs and the potential operating cost savings. Smaller studies have also been conducted regarding excavators, other mining equipment, locomotives and logistics equipment.

There is still more to do before investment decisions can be made, including site work and equipment orders. However, we have initiated early discussions on funding options that consider the ending or continuation of the war.

"Our work on the Green Mine initiative includes calculation of potential savings on CAPEX and OPEX and the overall reduction of carbon emissions over the modelled ten-year period."

Yurii Khymych
Ferrexpo Belanovo Mining General Director, Chief Project Officer: fleet electrification and automation and Head of Ukraine CSR Projects.

United to **realise value**

Access to Ukrainian Black Sea ports enabled us to expand sales to existing and new customers in Europe, the MENA region and the Far East.

Sales rebounded in 2024. The trust that was built throughout the organisation and with our logistics providers enabled the Group to overcome the many risks and challenges we faced as we restored capacity. This resulted in an improvement in customer confidence and the expansion of sales to former markets in Europe, the MENA region and Asia.

The marketing team travelled extensively in 2024, meeting with customers in China, Japan, Vietnam, and across the Middle East, Europe and North America. Communicating with customers to understand their concerns and needs is important. It allows the sales and marketing team to be the voice of the customer within the Group, and to work with colleagues in production and logistics, to deliver our customers the products they need when they need them.

This co-ordination was particularly important during 2024, 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

As access to Ukrainian Black Sea ports started to be restored in late 2023, the sales and marketing team moved swiftly to secure port access, vessels, crews and risk insurance, and in mid-January the first capesize vessel departed for Tianjin in China.

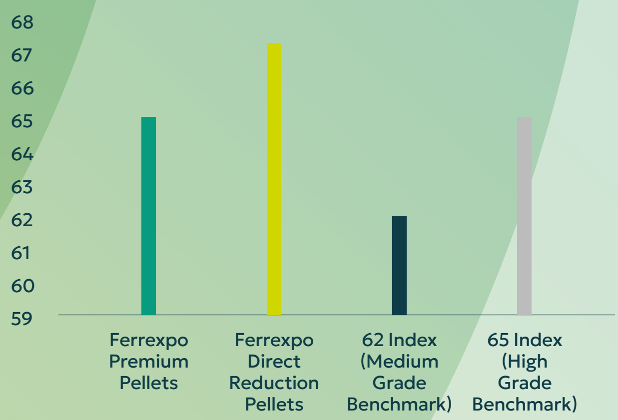
The first vessels to China helped restore customer confidence in the Black Sea route, and in February shipments resumed to customers in Europe and the MENA region. A total 32 vessels were fixed and loaded from Ukrainian Black Sea ports in 2024. During the year, loading times at the ports have improved, and freight rates and risk-insurance premiums have come down. However, volumes are still lower and costs higher than in 2021, the last full year before the full-scale invasion, when the Group fixed 67 vessels from Ukrainian ports.

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 sales in 2024

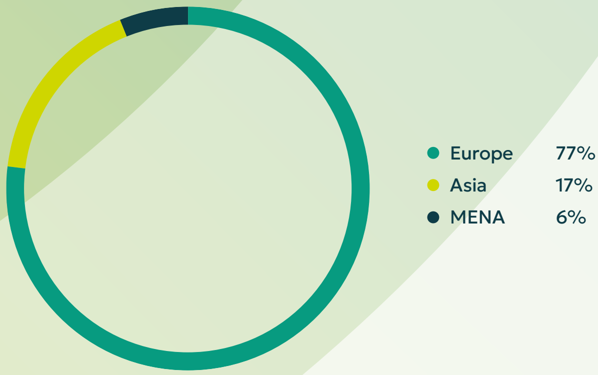
6.8MT

FE content (%)



FERREXPO SALES SPLIT

With access to Ukrainian Black Sea ports, Ferrexpo was able to resume supplies to customers in Asia and MENA in 2024.



"In a constantly evolving marketplace, it is important to understand our customer's needs to create common value"

Yaroslavna Blonska
Acting Chief Marketing Officer

DECARBONISING LOGISTICS NETWORKS

A consequence of the reopening of Ukrainian Black Sea ports has been the scaling back of our exports by river barge and also through Romanian Black Sea ports. Although some customers still opt for delivery by rail or Danube river barge, this accounted for only 50% of sales in 2024, compared to 69% in 2023.

Ferrexpo's deliveries to the Black Sea ports and the Western Ukrainian border are made using electric locomotives. As Ukraine starts accession talks for EU membership, Ferrexpo has been advocating for electrified rail routes all the way to customers in Europe to decarbonise logistics and reduce Scope 2 and 3 emissions. The company's river barging subsidiary, First DDSG, is also advocating for greater EU support to cover the cost of converting to lower carbon fuels, in particular, hydrotreated vegetable oil ("HVO"). Support for this could result in the Danube being a low carbon transport network, connecting the ten Danube shore countries with the Black Sea and the wider greater European river and canal network.

CUSTOMER GROWTH MARKETS

During 2024, the Group restarted production of Ferrexpo DR pellets ("FDP") for the first time since the full-scale invasion of Ukraine. A total of 380,000 tonnes of FDP were sold. These sales were predominantly to new customers in the MENA region, and are an example of the marketing team's efforts to enhance sales margins by product and geography.

The team has also worked as a conduit between customers and colleagues in production, facilitating feedback about pellet quality so that adjustments and improvements can be made. Working in a collaborative manner has also enabled the production and supply of customised pellets for certain customers that have particular quality, coating and logistics requirements.

STEEL MARKET

During 2024, global crude steel production increased and prices decreased for the second year in a row. In North America and Europe, high interest rates and inflation resulted in lower demand from the steel-intensive construction and automotive sectors. This was made worse due to an oversupply of cheap Chinese steel into these regions, as steel production in China increased despite weaker domestic demand due to a fall in infrastructure and construction activity.

As a result, market commentators are suggesting that regional tariffs for Chinese steel imports are increasingly likely, which could place more pressure on the Chinese steel industry, though provide for higher steel prices in non-Chinese regional markets. This would be a welcome shift for the European steel industry which has been battling the Chinese imports, at a time of high energy costs and the looming effects of EU CBAM. It is important that the European iron ore and steel industry continues to work together and lobby for investment and policy measures to protect it, so that common value chains, from mining and metallurgical companies, to steel manufacturers, fabricators and end users, can work together to decarbonise.

IRON ORE MARKET

Global iron ore production is approximately 2.5 billion tonnes a year, of which 1.6 billion tonnes are traded on seaborne markets. Australia and Brazil are the largest exporters, with Ukraine ranking eighth in 2024, compared to fourth in 2021, the last full year before the full-scale invasion.

In the final quarter of 2023, the iron ore market rallied due to unexpected Chinese stimulus measures which temporarily boosted iron ore prices, notably due to a strong interest from paper and derivative trading markets. As a result, iron ore prices opened the year on a strong footing with the higher-grade benchmark 65% Fe opening at US$153 per tonne and the medium grade 62% Fe benchmark at US$143 per tonne.

During 2024, the three largest iron ore producers have increased production, and avoided weather-related disruptions as a result of calmer and drier cyclone and rainy seasons. Real demand, however, has been subdued throughout the year as no significant Chinese stimulus has succeeded in igniting the Chinese property market, and in turn the construction industry and demand for steel rebar. There were indications that iron ore prices at times traded more on sentiment towards the Chinese macroeconomic outlook rather than actual fundamentals, with iron ore price shifts of US$5 to US$10 for short periods of anticipation, or disappointment at the lack of, large fiscal stimulus measures.

In September 2024, the benchmark prices dipped below US$100 per tonne, later recovering on limited Chinese stimulus measures. The benchmark 65% Fe price closed the year at US$114 per tonne, 26% lower than the start of the year.

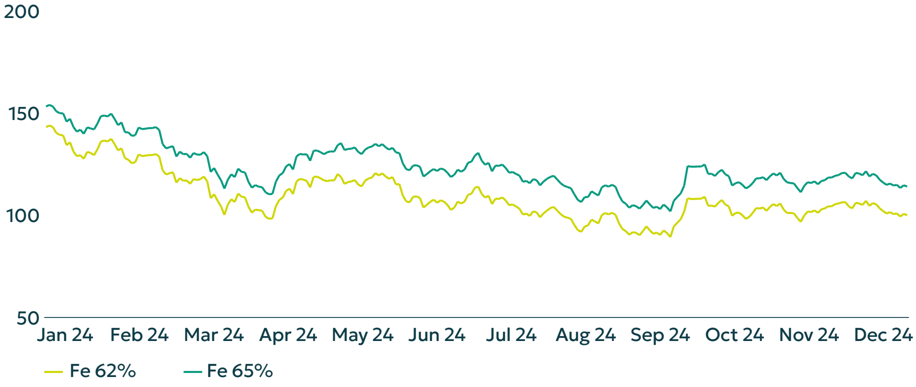
IRON ORE PELLET MARKET

Pellet markets also witnessed a clear downtrend throughout 2024. The 'benchmark' Atlantic blast pellet premium went from US$40 per tonne in the first quarter of 2024 to US$38 per tonne in the fourth quarter. Ferrexpo's pellet premiums are based on this benchmark, adjusted for quality differences.

The pellet market faced similar challenges to the iron ore fines market, although it was uniquely noticeable that the DR pellet market was being dampened by a weak blast furnace pellet market. This was evident in China where pellet premiums were especially low, and to a lesser degree in Europe as several blast furnaces were closed or idled.

One bright spot in the DR market was stable demand from the MENA region, which is benefiting from strong construction market demand from Saudi Arabia and the UAE. Steel producers using DR pellets are operating at near full capacity, which translated into increased demand for our products.

Iron ore prices (2024) (US$/t)



Summary of industry key statistics

	2024	2023	YoY change
Iron ore fines price (65% Fe CFR China)	**123**	132	-6%
Iron ore fines price (62% Fe CFR China)	**109**	120	-9%
Average 65% over 62% Fe	**14**	12	+14%
Atlantic blast pellet premium	**40**	45	-10%
Atlantic direct reduction pellet premium	**58**	57	+2%
C2 freight rate (Brazil Netherlands)	**11**	10	+6%
C3 freight rate (Brazil China)	**25**	21	+19%

FREIGHT

The freight market was less volatile in 2024 than in 2023. Freight rates were higher in the first quarter as dry weather in the southern hemisphere increased demand, and fleets worked through dislocations and longer voyage times caused by heightened tensions in the Red Sea and longer journey times through the Suez Canal.

As vessel demand eased in the second and subsequent quarters of 2024, freight rates started to reduce. This was also the case for Ukrainian seaborne exporters, as more vessels became available, and risk premia started to narrow. In June 2024, a leading global container shipping company resumed services to Ukraine. Although Ferrexpo uses dry bulk vessels, this was a positive step, and it is hoped that more ship owners will feel incentivised to return to Ukraine.

2025 OUTLOOK

The outlook for 2025 remains dominated by China's macroeconomic and construction outlook. Further iron ore supply increases are also anticipated, as the major suppliers expand their activities in Australia and Brazil, and new projects in West Africa come into production. There are some early signals that the down cycle in European steel is starting to turn, but it is too early to call, and more investment and policy support are needed.

The sales and marketing team are continuing their efforts to work with existing and new customers and focussing on expanding the portfolio of premium iron ore products to premium steel mills around the world.

Yaroslavna Blonska,
Acting Chief Marketing Officer,
Ferrexpo plc

United to **optimise the business**

Stable net cash position despite challenging markets for iron ore products and war-related spike in prices for input material affecting margins

SUMMARY

The Group continued to demonstrate resilience and flexibility from an operating perspective, although the ongoing war in Ukraine continues to affect financial results.

The regained access to Ukrainian Black Sea ports enabled the Group to expand sales to existing and new customers in Europe, the MENA region and the Far East, resulting in a strong increase in sales volume in 2024 and a further geographical diversification of the Group's customer base. However, the second half of the year saw market weakness and turbulence in the pricing of iron ore products, affecting, affecting margin and cash flow generation.

The situation in Ukraine continues to require the Group to be extremely flexible, as mining operations and production have to be adapted to the prevailing market conditions.

During 2024, the Group operated between two and three out of four pelletising lines, aligned with the sales portfolio and depending on the availability of electricity. Despite the positive effects from higher production on the fixed cost absorption of iron ore pellets produced, the Group's production cost per tonne increased as result of higher than expected prices for input materials, especially for electricity imported from EU countries.

In 2024, the Group invested US$102 million in its operation, mainly in Ukraine, and finished the year with a net cash position of US$101 million.

REVENUE

Revenue increased by 43% to US$933 million in 2024 (2023: US$652 million).

In 2024, the Group benefited from the reopening of Ukrainian Black Sea ports. As a result, total sales volumes were 64% higher at 6.8 million tonnes (2023: 4.2 million tonnes).

The positive effect from higher sales volumes was partially offset by a 7% decline in the annual average benchmark iron ore price (65% Fe) and a 10% decline in the annual average pellet premium. At the same time, the average index rates for international freight increased by 18% to US$24.9 per tonne compared to US$21.1 per tonne in 2023, and lowered the Group's net back realised prices for sales under the International Commercial Terms ("Incoterms") of FOB ("Free on Board").

Due to the availability of the Ukrainian Black Sea ports, the proportion of seaborne sales increased, compared to those transported by rail or barge to the Group's customers in Europe.

For more information on the market factors influencing pricing of the Group's products and logistics, please see the Market Review section on pages 26 to 29.

C1 CASH COST BREAKDOWN

Ferrexpo continues to sell the majority of its products to long-standing customers, thereby securing stable offtake volume for the Group and commands greater certainty of supply for customers.

Electricity	32%
Natural gas and sunflower husks	7%
Fuel (including diesel)	9%
Materials	12%
Personnel	8%
Maintenance and repairs	17%
Grinding media	6%
Royalties	7%
Explosives	2%

Net cash position

US$101M

Stable net cash position in continued challenging environment (2023: US$108 million).

Net cash flows from operating activities

US$92M

Positive operating cash flow generation, slightly lower than in previous year (2023: US$101 million)

"We are immensely proud of the resilience of our teams across our supply chain. It has made a huge impact on our performance."

Nikolay Kladiev
Chief Financial Officer

C1 CASH COST OF PRODUCTION

Cost of sales in 2024 totalled US$597 million compared to US$362 million in 2023. The increase is a result of significantly higher pellet production volume, which increased by 58% to 5.7 million tonnes, compared to 3.8 million tonnes in 2023. Similar to the previous year, the Group's production volume was generally aligned to accessible logistics capacity to minimise the working capital outflow and, additionally, dependent on the availability of electricity during the second half of 2024. In addition to these, the higher production volume in 2024 supported a better absorption of fixed costs and limited losses in view of the extraordinary challenges posed by inflationary pressure on input material.

The C1 cash cost of production ("C1 costs") reflects the Group's operating costs for the production of iron ore pellets, with a breakdown of the different cost components shown in the table below.

	2024	2023
Electricity	32%	32%
Natural gas and sunflower husks	7%	9%
Fuel (including diesel)	9%	7%
Materials	12%	8%
Personnel	8%	11%
Maintenance and repairs	17%	16%
Grinding media	6%	6%
Royalties	7%	9%
Explosives	2%	2%

The numbers above are rounded to full decimals.

The Group's average C1 costs increased to US$83.9 per tonne, compared to US$76.5 per tonne in 2023. The positive effects from the higher production on the fixed cost absorption per tonne of iron ore pellets produced and, the devaluation of the local currency, were offset by higher prices for input material.

The main C1 costs drivers are the price of electricity, natural gas and diesel in Ukraine, which are outside of the Group's control. The increase of the C1 costs in 2024 was driven primarily by the sharp increase in electricity prices as a result of the continued Russian attacks on power generation and distribution facilities in Ukraine, meaning that a significant proportion of the electricity required has to be imported from neighbouring European countries at higher prices. Increased mining and maintenance activities during the year resulted in a higher proportion of diesel consumption and repair costs. Another important component of the Group's C1 costs that is also outside of the Group's control relates to royalties in Ukraine, which came into effect in January 2022, and which accrue and are paid based on a tiered system. According to this regime, royalties are calculated based on the benchmark index price for a medium-grade (62% Fe) iron ore fines price and computed based on the cost of different iron ore products. The rate varies between 3.5%, 5.0% and 10% depending on the benchmark index price for 62% Fe. The royalty expense totalled US$32 million in 2024, compared to US$25 million in 2023, driven mainly by the higher production volume, but partially offset by the effect of lower index prices during most periods in 2024.

Group operating costs, denominated in Ukrainian hryvnia ("UAH"), account for approximately two thirds of the Group's C1 costs. Consequently, changes in hryvnia to dollar rates can have a significant impact on the Group's operating costs, including the C1 costs. The UAH depreciated by 11% to the US dollar in 2024, compared to a depreciation of 4% in 2023.

The Group's C1 costs per tonne represent the cash cost of the production of iron pellets from ore, divided by the production volume. The C1 costs exclude non-cash costs such as depreciation, pension costs and inventory movements. The C1 cash cost of production (US dollars per tonne) is regarded as an Alternative Performance Measure ("APM").

BREAKDOWN OF C1 COSTS

The main C1 costs components are electricity, natural gas and diesel in Ukraine, which collectively represent 48% (2023: 48%) of the total cost base as presented in the chart above with changes and the proportions of the different cost components.

In 2024, the proportion of the C1 costs per tonne for electricity remained unchanged at 32% because increased production volumes were not enough to offset higher electricity prices. The average electricity price in Ukraine in 2024 increased by 27% in US dollar terms, peaking at US$188 per megawatt-hour ("MWh") in July 2024, compared to an average of US$109 per MWh in 2023. The proportion of natural gas decreased to 7% (2023: 9%) due to lower prices on the global markets and improved consumption, whereas the proportion of fuel increased from 7% in 2023 to 9%, mainly due to the Group's ramp up of mining activities in 2024. As a result, total costs for fuel and consequently the share of fuel increased, despite lower fuel prices in 2024. The proportion of natural gas was also reduced as a result of increased use of sunflower husks as a substitute. The average Brent price for oil and the average price for natural gas decreased by 3% and 16% respectively in US dollar terms, compared to an increase of 17% and 68% in 2023.

The increase in the proportion for materials from 8% in 2023 to 12% in 2024 is due to the higher local inflation, partially offset by the effects of the devaluation of the Ukrainian currency, and items available in stock and expensed when consumed. The decrease of the proportion of personnel expenses from 11% in 2023 to 8% is largely driven by the more favourable fixed cost absorption per tonne of pellets produced, which was, however, partially offset by adjustments made to the salaries of the workforce in Ukraine.

Due to the ongoing war in Ukraine resulting in lower production activities than before the war, the Group sustained its maintenance and repair programme for its mining and processing equipment at a similar level to that of 2023.

See section "C1 cash cost of production" for further information on the Group's production costs.

SELLING AND DISTRIBUTION COSTS

Total selling and distribution costs increased to US$246 million in 2024 (2023: US$161 million), due to growth in sales to seaborne markets after access to Ukrainian Black Sea ports was regained. As a result, CFR and CIF sales volume increased to 2,492 thousand tonnes, compared to 168 thousand tonnes in 2023, increasing international freight costs from these sales by US$88 million, compared to US$51 million in 2023. In addition to the effect from higher seaborne sales volumes, international freight costs in 2024 were also affected by higher freight costs for exports through Black Sea ports due to the ongoing war in Ukraine. In addition to the higher freight rates, considerable insurance premiums were also incurred for shipments from Ukrainian Black Sea ports. The Group spent US$9 million for war risk covers during 2024 (2023: nil) in the Ukrainian Black Sea area as well as in the Red Sea area for shipments to certain customers in MENA and Asia.

Seaborne logistics routes are generally the lowest cost and most efficient way to deliver the Group's products to customers. However, as a result of the ongoing war in Ukraine, the Group has had to bear significantly higher logistic costs than before the war, exerting additional pressure on margins. Since the full-scale invasion of Ukraine, and before access to the Ukrainian Black Sea ports was regained, the Group established new logistics routes and relationships with alternative logistics providers and port operators, which in combination were more expensive and also adversely affected the Group's cash conversion cycle during the comparative year 2023.

The Ukrainian rail network is essential to delivering the Group's products to Black Sea ports and to the Western border of Ukraine. In 2022 and 2023, the Ukrainian rail network experienced congestion, but the situation continued to improve in 2024. Rail tariffs in Ukraine remained unchanged in 2024 and 2023, after a hefty 70% increase was imposed from July 2022. Tariffs in US dollar terms benefited, however, from the devaluation of the local currency.

GENERAL AND ADMINISTRATIVE EXPENSES

General, administrative and other expenses in 2024 increased to US$69 million, compared to US$64 million in 2023. Positive impacts from planned cost management and saving initiatives and the devaluation of the Ukrainian hryvnia have, however, been offset by higher legal and consulting costs in connection with an increase in legal disputes against the Group.

See Note 30 Commitments, contingencies and legal disputes to the Consolidated Financial Statements for the current environment in Ukraine vis-à-vis the Group, and further information on the ongoing legal challenges and disputes of the Group in Ukraine.

OTHER OPERATING EXPENSES

Other operating expenses increased from US$29 million in 2023 to US$92 million in 2024, predominantly due to a non-cash impairment loss of US$72 million recorded as at 31 December 2024 on the Group's non-current operating assets, including property, plant and equipment, intangible assets and other non-current assets. The recorded impairment loss resulted from the Group's lower cash flow generation, driven by a material decline of prices for iron ore products due to a less optimistic long-term outlook for the iron ore market and higher prices for input material due to the ongoing war in Ukraine. Further to that, the balance of Other operating expenses benefited from lower allowances for doubtful debts under the expected credit loss model and outstanding VAT receivable balances.

CURRENCY

Ferrexpo 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 devalued from 37.982 at the beginning of the year to 42.039 as at 31 December 2024 (-10%), compared to a devaluation of 4% in 2023. With the continuation of Martial Law during 2024, the National Bank of Ukraine ("NBU") has continued to maintain significant currency and capital controls in Ukraine 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 the Consolidated Financial Statements for further information.

OPERATING AND NON-OPERATING FOREIGN EXCHANGE GAINS/LOSSES

As the functional currency of the Ukrainian subsidiaries is the hryvnia, a devaluation of the hryvnia against the US dollar results in foreign exchange gains on the Group's Ukrainian subsidiaries' US dollar denominated receivable balances from the sale of pellets. As a result of the higher devaluation in 2024, the operating foreign exchange gains increased to US$83 million in 2024, compared to US$31 million in 2023.

Non-operating foreign exchange losses increased from US$8 million in 2023 to US$39 million in 2024, and relate primarily to the translation of US dollar denominated loan payable balances of the Group's Ukrainian subsidiaries.

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 the Consolidated Financial Statements.

Ukrainian hryvnia vs. US dollar[2]

UAH per USD	
Spot 14.03.25	41.527
Opening rate 01.01.24	37.982
Closing rate 31.12.24	42.039
Average 2024	40.152
Average 2023	36.574

UNDERLYING EBITDA

Despite the loss for the year, underlying EBITDA remained positive in 2024, but decreased by 30% to US$69 million, mainly due to lower operating profits because of lower realised prices and higher C1 costs as a result of increased prices for production inputs.

Historically and in line 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 exchange rate of the Ukrainian hryvnia to the US dollar. During the financial year 2024, the Group amended its definition of Underlying EBITDA by excluding operating foreign exchange gains and losses. As a result, the Underlying EBITDA as at the end of the comparative period ended 31 December 2023 was restated from US$130 million to US$99 million. See the section Items excluded from underlying earnings on page 34 for the effects considered as an exceptional item and excluded from the Group's underlying EBITDA.

Underlying EBITDA is an Alternative Performance Measure ("APM") and further information is provided on page 237.

NET FINANCE EXPENSE

The Group's finance expenses remained stable compared to 2023, at US$5 million.

With the exception of lease liabilities, the Group does not have any outstanding interest-bearing loans and 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, without any cash outflow effects, and to bank charges. At the same time, interest income decreased from US$5 million in 2023 to US$4 million in 2024. Interest income is derived from the available funds invested in deposits and depends on interest rates on the global financial markets and the funds invested.

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

Key Financial Performance Indicators

US$ million (unless stated otherwise)	2024	2023	YoY change
Total pellet production (kt)	6,071	3,845	58%
Total pellet and concentrate production (kt)	6,890	4,152	66%
Sales volumes (kt)	6,830	4,174	64%
Iron ore price (65% Fe Index, US$/t)[1]	123	132	(7%)
Revenue	933	652	43%
C1 cash cost of production (US$/t)	83.9	76.5	10%
Underlying EBITDA[A]	69	99	(30%)
Underlying EBITDA[A] margin	7%	15%	(8pp)
Capital investment[A]	102	101	1%
Closing net cash	101	108	(6%)

1. Source: S&P Global Commodity Insights
2. Source: National Bank of Ukraine

INCOME TAX

The Group's income tax expense increased to US$30 million, compared to US$16 million in 2023, resulting in an effective tax rate of 33.7% (2023: 26.1%), after the elimination of exceptional items resulting in a loss before tax in both financial years and distorting the effective tax rate. The Group's effective tax rate is generally impacted by effects which are not tax deductible in different jurisdictions according to the local tax regulations. The effective tax rate for 2024 was affected by an impairment loss of US$72 million on the Group's non-current operating assets, of which US$68 million is not tax deductible in Ukraine, and no deferred tax asset was recognised. Further to that, there is a significant effect from low-grade ore extracted by one of the Group's subsidiaries, which is expensed for Group reporting purposes, but capitalised in the stand-alone financial statements of the subsidiary, as it is not accepted as an expense under the current mining licence. The effective tax rate for the comparative year 2023 was affected by the recognition of provisions for legal disputes in Ukraine totalling US$131 million, which are not tax deductible, and no deferred tax asset was recognised. In addition, valuation allowances on recognised deferred tax assets have an impact on the effective tax rate of the Group. An additional allowance of US$4 million was recorded in the financial year 2024, compared to an allowance of US$10 million in the comparative year 2023, on deferred tax assets recognised by the Group's two major subsidiaries in Ukraine. The allowances are necessary because of profitability is lower than expected due to the war in Ukraine and due to a shorter period allowed for the unwinding of the temporary differences due to the material uncertainty in respect of the Group's ability to continue as a going concern. For further information see Note 11 Taxation to the Consolidated Financial Statements.

In 2024, the income tax paid by the Group totalled US$23 million (2023: US$13 million), of which US$16 million was paid in Ukraine (2023: US$12 million). The income tax paid includes withholding tax on intercompany dividend and interest payments considered as income tax paid.

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

ITEMS EXCLUDED FROM UNDERLYING EARNINGS

The underlying EBITDA in 2024 was adjusted by the impairment loss of US$72 million recorded as a result of a reduction in the carrying value of the Group's assets and the continued lower cash flow generation of the Group due to the ongoing war in Ukraine. See Note 13 Property, plant and equipment to the Consolidated Financial Statements for further details.

There are a number of events after the reporting period that are treated as non-adjusting post balance sheet events. Some of these events could lead to an impairment in a future period. For further information, see Note 35 Events after the reporting period.

In the comparative year 2023, the effect of US$131 million of provisions recognised for ongoing legal disputes is considered as an exceptional item and is therefore excluded from the Group's underlying EBITDA.

LOSS FOR THE YEAR

The Group's result for the financial year 2024 is a loss of US$50 million, mainly coming from an impairment loss of US$72 million, compared to a loss of US$85 million in 2023. The loss in 2023 resulted from the recognition of provisions for ongoing legal proceedings and disputes in Ukraine amounting to US$131 million. Without the special effects in 2024 and 2023, the results would have been profits of US$22 million and US$46 million, respectively. Beside the effect from the impairment loss recorded in 2024, the Group's operating profit was affected by lower prices for iron ore products on the global markets and higher prices for input material due to the ongoing war in Ukraine.

CASH FLOWS AND CASH EQUIVALENTS

Operating cash flow before changes in working capital decreased by 35% to US$67 million, compared to US$103 million in the previous year. The lower operating cash flow generation is driven by the Group's lower operating profit. There was an overall working capital inflow of US$52 million compared to US$13 million in 2023, which was driven largely by the decrease of the trade receivable balance due to better cash collection, whereas the increase of the trade payable was almost offset by the slightly higher inventory accumulated for planned sales at the beginning of 2025, and other taxes recoverable balances. The Group continued to receive regular VAT refunds in 2024, supporting the Group's cash flow generation, with the higher VAT closing balance as at 31 December 2024 reflecting the increased operating activity than in 2023.

The net cash flow from operating activities was US$92 million, slightly lower than in 2023. The effect from the lower operating cash flow was offset by positive effects from working capital movements as at 31 December 2024.

The Group continued its capital expenditure programme and the investments totalled US$102 million in 2024, and thus remained on the same level as in 2023. See the section below for further information.

Despite the lower operating cash flow generation and capital expenditures at a similar level as in 2023, the Group managed to maintain its closing balance of cash and cash equivalents above US$100 million, totalling US$106 million as of 31 December 2024, compared to US$115 million as of 31 December 2023.

The balance of cash and cash equivalents held in Ukraine amounts to US$4 million as at 31 December 2024 (31 December 2023: US$6 million). The significant currency and capital control restrictions introduced in Ukraine by the NBU following the adoption of Martial Law are still in place. Although these measures were softened by the regulator in 2024, they are still affecting the Group in terms of its ability to make cross-border payments, which may be carried out only in exceptional cases.

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

CAPITAL INVESTMENT

Capital expenditure in 2024 totalled US$102 million, and thus remained on the same level as in 2023. Of the total amount spent in 2024, sustaining capital expenditures increased to US$37 million, compared to US$31 million spent in 2023, and covered the activities at all of the Group's major business units. The current level of sustaining capital expenditures takes into account the operational and logistics constraints as a result of the ongoing war in Ukraine. The Group continuously reviewed and optimised the level and timing of its activities to ensure the reliability of operations in Ukraine and to avoid unexpected downtimes. The increase compared to 2023 also reflects the backlog of certain sustaining capital expenditures that have been postponed since the beginning of the war.

At the same time, the Group considered the timing of investments in strategic development projects, resulting in expenditures of US$65 million, compared to US$70 million in 2023. Some of the larger capital investments included additional funds for the new press filtration complex and a new concentrate conveyor line along the production circuit, which totalled US$24 million and US$2 million, respectively. These investments will allow the Group to increase production of high-grade products in the near term once the operation returns to full capacity, and to produce iron ore concentrates and pellets at the same time, thereby removing the restriction on the simultaneous production of pellets or concentrates. Further to that, the Group spent US$9 million (2023: US$22 million) on stripping activities for future production growth and US$18 million on the concentrator and pelletiser projects (2023: US$22 million) as part of the Wave 1 Expansion Programme to manage commitments made previously. The Group also spent US$3 million on the development and exploration of the Belanovo deposit (2023: US$3 million), as well as US$1 million in a hydrolysis plant (2023: US$1 million) to trial using hydrogen as a fuel in the Group's pelletiser. For further information on the Group's activities to grow its business in 2024, please see page 21.

Considering the unchanged cash flow generation, which is still affected by the ongoing war in Ukraine, no ordinary dividends were paid during the calendar years 2024 and 2023. 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 on developments in respect of the ongoing legal disputes in Ukraine.

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

DEBT AND MATURITY PROFILE

The Group has maintained its strong balance sheet in 2024, being basically debt free, and in a net cash position of US$101 million as at 31 December 2024 (2023: US$108 million). With the exception of lease liabilities, the Group did not have any outstanding interest-bearing loans and borrowings as of 31 December 2024 and 2023.

As of 31 December 2024, the credit rating agency S&P had a corporate and debt rating for Ferrexpo of CCC, with a negative outlook. The credit ratings 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 on the Group. While the credit rating of Ferrexpo is capped by the sovereign credit rating of Ukraine, the ceilings for credit ratings ascribed to Ferrexpo by S&P, Moody's and Fitch are higher (five notches above sovereign, SD, for S&P, one notch above sovereign, Ca, for Moody's and five notches above sovereign, RD, for Fitch).

RELATED PARTY TRANSACTIONS

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

During the financial year 2024, the Group made bail payments totalling US$1 million (2023: US$15 million) on behalf of three members of the top management (2023: four) of one of the Group's subsidiaries in Ukraine 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 below under Contingent liabilities and legal disputes and Note 34 Related party disclosures to the 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 the current circumstances facing Mr Zhevago. As a result, the Group is subject to various legal actions and ongoing court proceedings initiated by different government 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 is not 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 developed economy, which require a significant portion of critical judgements to be made by the management.

As announced on 4 February 2025, the Group's subsidiary Ferrexpo Poltava Mining ("FPM") has received a civil claim seeking joint liability of FPM and its General Director for damages amounting to UAH 157 billion (approximately US$3.8 billion as at 14 March 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 2023 Annual Report & Accounts, which have transformed into accusations that FPM is illegally mining and selling subsoil (minerals other than iron ore), which is said to have caused damage to the environment. FPM rejects these allegations in their entirety on the basis that there was no illegal extraction of the subsoil. Even if a court in Ukraine would conclude that there was illegal mining and sale of subsoil, the extent of this claim is in no way comprehensible and it is Group management's position that no reliable estimate 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 2024 in accordance with IAS 37 Provisions, contingent liabilities and contingent assets.

In respect of the ongoing contested sureties claim, several court hearings took place in 2024 and 2025 without a final Supreme Court ruling and the next hearing is scheduled for 21 March 2025. If the final Supreme Court ruling is not in favour of FPM, the claimant may take steps to appoint either a state or a private bailiff and request the commencement of enforcement procedures, which 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.

See Note 2 Basis of preparation and Note 30 Commitments, contingencies and legal disputes to the Consolidated Financial Statements as well as the Principal Risks section on pages 81 to 94 for further details.

In addition to the cases above, there are a number of events after the reporting period, which had to be assessed by the management when preparing the financial statements for the year ended 31 December 2024. Most of these events are treated as non-adjusting post balance sheet events from an accounting perspective. See Note 35 Events after the reporting period for further information.

GOING CONCERN

As at the date of the approval of these Consolidated Financial Statements, the war is ongoing and poses a significant threat to the Group's mining, processing and logistics operations 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 still exposed to the risks associated with operating in a 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 85 to 87). 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 approval of these consolidated financial statements. As mentioned in the section Contingent liabilities and legal disputes above, there are a number of events after the reporting period (see also Note 35 Events after the reporting period), 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.

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

Nikolay Kladiev
Group Chief Financial Officer, Ferrexpo plc

Underlying EBITDA margin

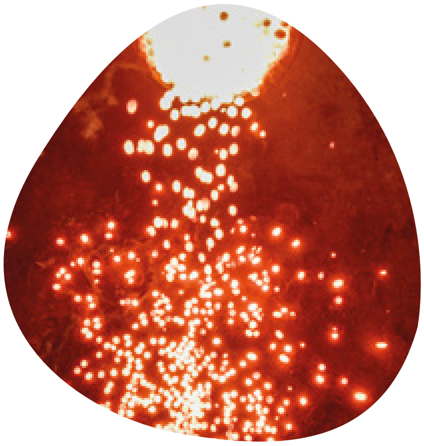
7%

Underlying EBITDA margin remains positive despite sharp fall in market prices (2023: 15%).

Capital investment

US$102M

Continued investments in sustaining and development capital projects in 2024 (2023: US$101 million).



United by **trust**

Ferrexpo is recognised as a human resources pioneer in Ukraine. The changes that we started implementing almost a decade ago, meaningfully integrating global best practices into everything we do, have helped us leave behind many of the outdated characteristics of an industrial Eastern European enterprise.

The human resources function at Ferrexpo operates as a tight-knit team, with oversight from the Board and direction from the Executive Committee. The team at our operations like to describe themselves as "invisible", as they go about their work smoothly shaping and resourcing our activities in such a way that their presence makes a positive impact without being overtly perceived.

OPERATING MODEL

On a fundamental level, Ferrexpo's approach to human resources is about managing the human capability and capacity of the organisation, in a way that a corporate culture is fostered and an operating model delivered that supports the achievement of the broader business objectives.

We understood that to be a modern mining and metallurgical company required a shift in our organisational culture and a transformation in our working structure and practices. In 2017, we embarked on a cultural transformation initiative called "One Ferrexpo". This initiative, along with restructuring some of our subsidiaries, including consolidating some functions, aimed to transition our culture from separate businesses operating independently to a more cohesive business operating interdependently.

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

Greg Nortje
Group Chief Human Resources Officer

As the catalyst for the transformation, we initially focused on aligning leaders around the business strategy and developing new values in collaboration with employees. We view these values as our expectations of each other and how we work together:

Our redefined values

1 **RESPONSIBILITY**
Promoting responsibility within the workforce, with individuals focused on a safety-first approach, environmental responsibility, and accountability to local communities.

2 **'MAKE IT HAPPEN'**
A collective effort to deliver superior business results, which are achieved through engagement and training.

3 **INTEGRITY**
Representing high ethical standards and delivering on commitments. This authentic approach is supported through extensive training and a robust corporate governance framework. This includes our interaction with our local communities.

4 **DIVERSITY WITHIN ONE TEAM**
Through embracing diversity within one team, the Group aims to promote acceptance and harnessing of differences of opinions and backgrounds to drive our performance.

5 **CONTINUOUS INNOVATION**
Essential for improvement and adaptation. Through embracing change, the Group aims to create a culture of collaboration for a bright future.

These values and the resulting behaviours serve as the engine that drives our collective approach to achieving our common business objectives.

While "One Ferrexpo" and its values provide guidance, we recognised that achieving a meaningful cultural shift required a top-down approach as a company's culture is created by its leaders. This is why we began aligning the leadership team around Ferrexpo's purpose and strategies, followed by training and coaching sessions to empower our leaders to effectively demonstrate the required behaviours and communicate our business strategy, and our commitments to DEI and sustainability, for example. We observed that management and early adaptors eventually drove a tipping point, at which time the changes cascaded throughout the organisation.

Systems and policies have also been enhanced, providing line managers with the tools they need to measure performance, promote efficiencies and foster ideas and innovation.

One unique example is the 'Bank of Ideas' initiative, whereby all employees have the opportunity to propose innovative solutions to improve operations. Since the initiative launch in 2017, more than one thousand employees have submitted ideas. Colleagues in production and repair departments are the most active, submitting suggestions to increase the efficiency of the work process, or minor modernisations that can increase the service life of certain equipment. Another performance assessment tool is the implemented system of annual staff evaluations – 9-Box career potential and competency-based and individual performance assessments. The results of these processes are to motivate employees to develop, learn to gain certain competencies and obtain the best performance indicators for further career growth and achievement of potential.

Since February 2022, however, the immediate focus has been the war. This is perhaps more acute for the HR team than for other business functions. During a time of war, health and safety are even more paramount. It is important to ensure the emotional wellbeing and psychological resilience of the workforce, both collectively and also at an individual level. This is an ever-evolving challenge because each person is enduring their own unique and changing experience of war. We know that one of the biggest contributions that we can make to the war effort is to keep the business running and our people employed, and it is important that we do this in a manner that makes them feel as protected and safe as possible.

For more information on Health and Safety, please see the sub-section in the Responsible Business section on page 46.

Workforce composition and planning must also be managed, as dynamic factors, including changing demographics, skills availability, legislation and regulations and technological advancement, are affecting how we manage our workforce today and into the future.

WORKFORCE COMPOSITION

The war has changed the demographic of our workforce, and we anticipate this to remain the case as the war continues and indeed after the war ends, given its impact on the wider population. Managing the shifting structure of the workforce and labour pool through war is complex, making attraction and retention more important.

One critical issue is colleagues serving in the Armed Forces of Ukraine and in ancillary support functions. Many colleagues have volunteered or been conscripted. At the end of 2024, 706 of our workforce were serving in the Armed Forces of Ukraine (698 men and 8 women), equivalent to 8.3% of the total workforce. This is more than at any time since the start of the full-scale invasion. As the war prolongs, we are welcoming back more and more returning veterans, 160 in total as at the end of 2024, of which 102 have been able to return to work, with the balance undergoing rehabilitation, retraining, or electing not to return to work.

A further issue is that a higher proportion of skilled workers in positions such as electrical and gas welders, electricians and fitters are currently serving in the Armed Forces than we have on average across the business.

	2024	2023	2022
Total workforce	**8,542**	8,040	8,277
Serving in the Armed Forces of Ukraine	**706**	656	582
Employees*	**6,372**	6,472	6,937
Contractors	**1,464**	912	758
Male percentage**	**67.8%**	69.7%	69.5%
Female percentage**	**32.2%**	30.3%	30.5%
Serving in Armed Forces of Ukraine***	**706**	656	582
Total killed serving in the Armed Forces of Ukraine	**45**	34	16
Veterans demobilised from the Armed Forces of Ukraine	**160**	67	6
Veterans returned to the workplace	**102**	40	1
Veterans waiting to return to the workplace	**18**	3	0
Veterans elected not to return to Ferrexpo	**40**	24	5

* number of full-time employees is stated excluding those serving in the Armed Forces of Ukraine
** percentage of men and women is calculated excluding contractors, as we do not keep detailed gender records of contractors. In terms of the number of employees by gender, at the end of 2024 there were 2,052 women and 4,320 men (2023: 1,961 women and 4,511 men)
*** information on the servicemen is based on the data of previous periods under the cumulative system

During the war, employee turnover rates have remained similar to pre-full-scale invasion levels, ranging from 5% to 7%. However, at the start of the full-scale invasion, many people moved within Ukraine or overseas due to safety concerns or to avoid conscription. In total, 506 employees left in the period from 2022 to 2024, with a ratio of 45% men and 55% women, skewing the composition of our workforce.

As we consider how we will staff our business in the future, we want to increase the participation of women. To achieve this, we are looking deeper into our business to better understand what roles and functions that previously were legislatively reserved for men can be undertaken by women, work practice adaptations we will need to consider, and what further cultural changes need to be implemented. Already Ferrexpo has one of the highest female to male staff ratios for any Ukrainian metallurgical company. We have already made some progress, for example, by recruiting women to our truck driving team: 12 women received a C category driver's training at the Horishni Plavni training centre, 6 of whom already joined FYM in December 2024. However, we understand that we need to move forward, and we plan to continue to attract women to roles including heavy truck drivers, excavator operators, forklift drivers, electricians, and electric welders. This academic year, our partner vocational schools began to offer courses to train women in the skills needed for these professions, and we expect to see more female applicants once they have completed their studies in three to four years' time. However, we are not staying on the sidelines and are engaging women from Horishni Plavni city to work at our operations by organising the Fe_munity & Skills project jointly with the city. A number of training programmes have been created to encourage women to acquire new skills and join our industry. In 2025, we will continue to implement this project.

Ferrexpo's on-site Qualification Centre has expanded its activities in 2024 to offer additional vocational training programmes. In December 2024, the centre was recognised by the National Qualifications Agency, 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 existing skills and abilities without 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 theoretical and practical training. Currently, the Centre has the right to certify qualifications in 24 professions, a number that will be expanded in 2025.

Education and skills training is also a key factor for recruiting young people, 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.

For more information about women in the workplace, please see the Diversity, Equity and Inclusion sub-section in the Responsible Business section on pages 47 to 48.

WORKFORCE PLANNING

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

At the outset of the full-scale invasion, we decided to maintain a full workforce. The war has meant times of intermittent or suspended production, and indeed periods of needing to boost production, that have required enormous flexibility. In addition to managing fluctuating production with devices such as furlough, adjusting pay structures and asking employees to work more shifts or postpone leave, in 2024 we established a skills diversification pilot. This has introduced multi- and cross-functionality for specific skills in our repairs and maintenance functions to generate efficiencies and aid retention, and we intend to expand the programme to other areas in 2025.

By learning to be more agile, we have successfully adapted how we plan our workforce to meet changing needs and challenges. At the same time, we have engendered comfort in these working practices and confidence among our workforce that we can sustain our business.

In 2025, there are many complex scenarios to plan for, depending on the war continuing or ceasing. We are continuing to broaden our efforts to be an employer of choice, to retain our existing employees and attract new employees. There will likely be more demographic changes as well as potential migratory shifts if the war ceases, with some deciding to leave if the borders re-open, and the Ukrainian diaspora may return. Government support and programmes will be necessary to encourage people to stay and to return, especially young people. We will need to work together to ensure that Ukraine is an attractive place to live and work.

EMPLOYEE ENGAGEMENT SURVEY

Towards the end of 2024, an Employee Engagement Survey was undertaken, the first since 2019. The response rate of 62% exceeded previous surveys and represented a good cross-section of business demographics. The Group's overall engagement score of 73% ranked well above the industry average according to the third party that managed the survey. It was pleasing to learn from the survey that, despite the very difficult conditions, our people are enduring and that they are committed to the business.

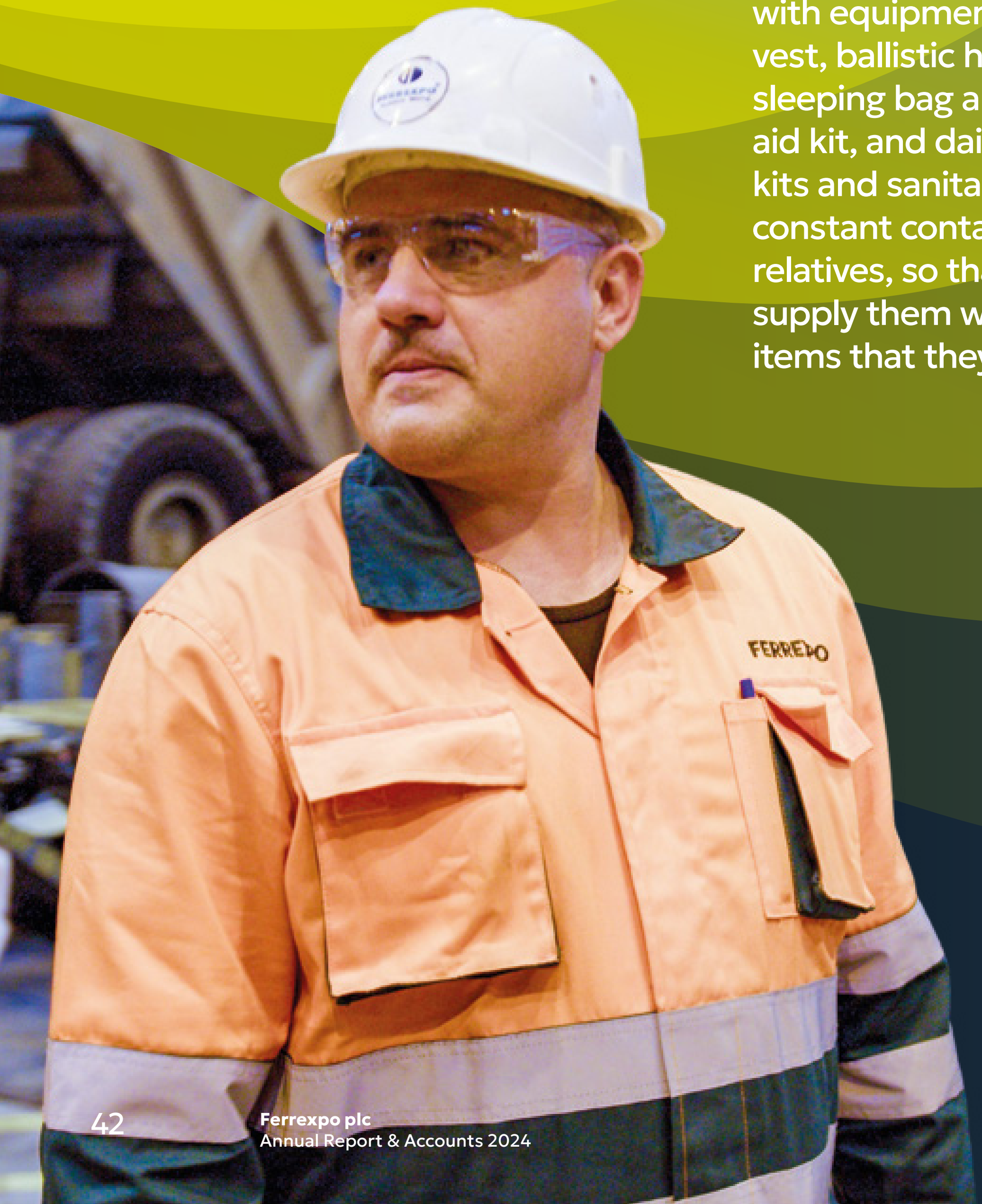
"We are united in our purpose because we know that to survive and to function, we must trust one another."

Yuliya Klevova
HR Director, Operations

CASE STUDY

Supporting our veterans

When a colleague is mobilised to the Armed Forces of Ukraine, our 'Backpack for the Mobilised' project supplies them with equipment such as a bulletproof vest, ballistic helmet, clothing items, 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.



When the soldier returns, we understand that their health and mental state are often heavily affected. Since the full-scale invasion of Ukraine, 160 members of Ferrexpo's workforce have been demobilised from the Armed Forces of Ukraine, of whom 102 have returned to work. This will likely increase in the near-term, and we are eager to have the right policies and practices in place to help with the transition back to civilian and working life.

After the formal decommissioning process, veterans are introduced to the 'Ferrexpo Veteran Support Service'. This programme was devised with input from specialists including health and security services provider International SOS, who has experience supporting veterans in the USA. In 2024, we also established our own internal Veterans Committee.

Initially, personal contact is made through the veteran's line manager. An appropriate period of paid leave for resettling is agreed. Experience suggests that getting back to work sooner rather than later can limit the risk of mental health issues. Medical examinations for both physical and mental health are undertaken, with secondary screening when needed, and advice and support are provided on any legal, administrative or financial issues.

Subsequently, Ferrexpo veterans have the right to return to their previous roles. If their physical or mental health or other circumstances do not allow for this, they may choose to undertake funded training for a new role or enrol with a higher education institution at the Group's expense.

In addition to immediate resettling support, Ferrexpo offers a comprehensive social and material support programme. This includes an annual bonus and retirement packages. Ferrexpo has also implemented a six-week training programme for managers and colleagues of veterans. This programme teaches the basics of interacting with individuals who have physiological disabilities and post-traumatic stress disorder ("PTSD"), ensuring a supportive work environment for returning veterans.

In November 2024, Ferrexpo joined the 'Principles of Veteran Friendly Business' initiative, along with other large Ukrainian businesses, in association with 'Veteran Hub', a Ukrainian NGO dealing with veterans' affairs, with the support of the Ministry of Veterans. The principles are based around a set of values designed to help Ukrainian businesses support veterans in their transition back to civilian life.

One of the biggest challenges is persuading people of the benefits of psychological counselling, because there is a cultural hesitance in Ukraine, particularly from men, to accept this sort of help. One initiative being launched in 2025 is to promote the benefits of psychological assistance to the local population at large, rather than singling out individuals.

Efforts to promote mental health are, however, constrained by the low number and availability of mental health specialists in Ukraine compared to other countries, at a time of high need. Several colleagues from Ferrexpo's HR function are taking a keen interest in studying psychology and related subjects such as neuro-linguistic programming, not only to help themselves, but also to apply this knowledge in their work to support colleagues.

Towards the end of 2024 and into 2025, Ferrexpo launched a video series "Veterans", 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 so future generations will also have access to our experiences, in the hope that this will ensure a true and full picture of events and contribute to a more peaceful future. A video featuring each of the veterans and their partner, are released at the same time, so that viewers can see their unique story from both perspectives.

United by our **shared values**

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 the positive social impact we have achieved for the communities in which we operate and Ukrainian society more broadly.

STEPPING IN AS INTERIM HSEC COMMITTEE CHAIR

In January 2025, I resumed the role of Health, Safety, Environment and Community ("HSEC") Committee Chair on an interim basis while a new Director and Committee Chair is sought to replace Natalie Polischuk. Having previously chaired the committee from 2020 to 2022, I have remained involved in its work and activities. Also, as Ferrexpo's Senior Independent Director, I continue to interact with our largest shareholders and to bring their feedback to our Board on all aspects of our responsible business activities.

RESPONSIBLE BUSINESS DURING A TIME OF WAR

At a time of war, the role of the HSEC Committee is more important than ever. Doing everything we can to protect our people, within and outside the workplace, is our priority.

In February 2022, we made the decision to retain our entire workforce. It may have been easier to shutter production and lay off employees, however, this was never an option for the Board. Three years later, we can see that this was the right decision as we observe the resilience of our people and everything they have achieved, for Ferrexpo, for Horishni Plavni and for Ukraine.

In 2025, we will need to advance our programmes for veteran support and reintegration. The number of decommissioned personnel may increase, and we must focus on putting in place the right rehabilitation programmes to support their return to civilian life and work. More about our Veterans' Programme can be found on pages 42 to 43, including our efforts to date and our near-term plans.

Another issue close to my heart is our drive to attract and retain more female employees. In 2020, when I previously chaired the HSEC Committee, we launched our Fe_munity programme to improve opportunities for women within our organisation. It's pleasing to see that this initiative has expanded to include a programme adapted for teenagers in our local community. To date, more than 200 people have completed Fe_munity programmes, including three cohorts since the full-scale invasion. This is just one of several initiatives that have helped us attract new female employees and increase the number of women as a percentage of the workforce, and the number of women in managerial positions.

RESPONSIBLE BUSINESS REPORTING LEADERSHIP

In 2024, we published our second Climate Change report. When consumed by the immediacy of war, climate may not seem a priority. We know from listening to our workforce and broader stakeholders, however, that they want to know about our plans, and how we will continue to modernise to remain relevant and competitive.

In updating our Net Zero strategy we considered three scenarios: "Continued War," "Post-war Rapid Adoption," and "Post-war Slow Adoption". These scenarios allowed us to model pathways for absolute emissions reductions, helping us understand how we will deliver our 2050 objectives.

2024 was the first year in five that our absolute Scope 1 emissions increased. Targeted missile and drone attacks on Ukraine's energy infrastructure during the year crippled Ukraine's ability to generate and transmit electricity. This resulted in a mandated requirement for companies like Ferrexpo to import up to 80% of our electricity needs from Ukraine's European neighbours. This imported electricity is generated from carbon-intensive sources, instead of the cleaner nuclear and hydro powered electricity we traditionally source in Ukraine, hence increasing our Scope 1 emissions.

This example illustrates that, despite our plans to lower our CO_2 emissions, the war creates situations beyond our control. For this reason, during the year, the Remuneration Committee decided to remove the element relating to emissions reductions from senior management's incentive-based remuneration. This is detailed in our Remuneration Report on pages 130 to 151. Since the Climate Change Report outlines a range of scenarios, we do not intend to publish an update until we have a clearer sense of which scenario is likely to unfold.

In 2024, we published our ninth Responsible Business Report, which provides more detail on how we are developing our workforce, supporting communities, contributing to a sustainable environment and operating ethically. I look forward to having the opportunity to lead our tenth anniversary edition and intend to focus on how we are working to maintain our licence to operate despite the many challenges we are facing.

In terms of reporting, it is pleasing to note that in this Annual Report, we have increased the range of ESG metrics assured by our auditors. This year for the first time, several human resource-related metrics have been assured. Although not yet mandatory, we strive to remain ahead of reporting requirements to instil a culture of strong governance and so that our stakeholders recognise and trust us as a leader in ESG reporting. This was reflected in 2024 when we were named as a Climate Leader by the Financial Times and Statista – the only Ukrainian operating company to be recognised.

CONCLUDING REMARKS

I'd like to conclude by expressing my gratitude to our workforce for their tremendous efforts during 2024. Thanks to them, we have continued to operate and export our products, allowing us to advance our humanitarian, social and environmental programme.

Fiona MacAulay
Interim Chair
Health Safety, Environment and Community ("HSEC") Committee

The health, safety and wellbeing of our people and communities are paramount.

PROTECTING OUR PEOPLE

99% of our 8,000-strong workforce, comprising employees and contractors, is based in Ukraine, mainly at our operations in the Poltava Region, but also in Kyiv and other locations. Some of our workforce are currently serving in the Armed Forces of Ukraine.

Given the scale of our workforce and the nature of our activities, it was never an option to evacuate our people during the war. Our people want and need to 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, to ensure that colleagues are as far as possible from the front line. For our on-site workforce, measures have included the provision of air-raid shelters, adjusting shift patterns to align with night-time curfews and the provision of free 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.

ZERO

The Group recorded a fourth successive fatality-free year.

As the war has evolved so too has our response. In the months after the full-scale invasion commenced in February 2022, our efforts focussed 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. In late 2023 and 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.

Please see the case study "Veterans" on pages 42 to 43 of this report.

In 2024, the Group recorded a fourth successive year without a fatality. The average recorded lost-time injury frequency rate ("LTIFR") for the year was 0.54, higher than the 0.32 recorded last year, and above the 5-year trailing historical average of 0.52 due to an increase in recorded injuries.

	2024	2023	Change
Lagging safety indicators			
Fatalities	0	0	–
Lost time injuries	6	4	+50%
Lost time injury frequency rate ("LTIFR")	0.54	0.32	+22%
All injuries frequency rate ("AIFR")	0.52	0.64	-19%
Near miss events	0	1	-100%
Significant incidents	0	4	-100%
Restricted work days	678	675	0%
Severity rate (average lost days per incident)	113	169	-33%
Leading safety indicators			
Health and safety inspections	7,368	6,282	+17%
Health and safety meetings	1,686	1,466	+15%
Health and safety inductions	5,651	2,897	+95%
Training hours	13,025	7,264	+79%
Hazard reports	753	688	+9%
High visibility management tours	155	149	+4%

Responsible Business: Diversity, Equity and Inclusion

32.2%

Positions held by women accounted for 32.2% of all employees in Ukraine. (2023: 30.3%).

22.9%

Women in management roles in Ukraine increased to 22.9% in 2024 (2023: 22.3%).

"We strive to create a workplace culture in which all contributions are valued, alternative perspectives are embraced, and biases are acknowledged and mitigated."

Greg Nortje
Group Chief Human Resources Officer

There is clear need for diversity, equity and inclusion within each successful leadership team and workforce to drive better decision making and a more productive working environment. 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 an inclusive working environment.

DEI PROGRESS

Following the launch of the DEI strategy, we recruited a DEI officer and DEI Ambassadors. In 2024, a female DEI specialist joined the team.

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 2024, this figure increased to 22.9%, compared to 22.3% in 2023 and a baseline of 18% in 2019. During 2024, we promoted or recruited 36 women to positions of Grade 10 or higher.

Our DEI efforts were boosted from 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 other Ukrainian regions, representing government, business and society. The platform was broadened further in 2023 with a 'Fe_munity Teens' programme, offered to 54 teenagers drawn from the community local to the Group's operations. 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 generally 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 help Ferrexpo's business model. Our Inclusion School is also open to local authority employees keen to learn more about challenging prejudice and discrimination. In 2024, 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.

Our DEI efforts were recognised externally in 2024. Women in Mining UK, a leading global advocacy organisation promoting the employment, retention and progress of women in the mining industry, recognised Ferrexpo's Olena Nikolaichuk-Neroda as one of the "100 Global Inspirational Women in Mining", the first Ferrexpo employee and Ukrainian to be inducted into this prestigious cohort. Olena joined a pilot programme in 2018 to encourage women to become dump truck drivers. She was in the first group to qualify and start work, changing the perceptions of women in the Ukrainian mining industry. And today, she helps teach other women, including a new 12-strong group who are expected to qualify in 2025. Among other external awards related to DEI, in 2024, Ferrexpo's Fe_munity Teens project was recognised as the best social initiative for young people by Delo.ua as part of the 'Best Ukrainian Employers 2024' award.

Looking to the future DEI agenda, more is planned with the roll-out of employee resource groups. These internal communities of workers, convened around shared identities and interests, will serve to strengthen workplace relationships, foster a sense of belonging, promote personal and professional growth, and bolster the voices of minorities. The first will be launched in 2025 and will focus on employees who are parents to a child with disabilities, with further groups to be launched throughout the year.

DEI highlights for 2024

Progress highlights for the Group's DEI activities and programmes in 2024 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.
- Creating Employee Resources Group communities, starting with support for employees with children with disabilities.

EXTERNAL

- Implementation of the second stream of the Fe_munity Teens training programme, which aims to promote the principles of inclusivity and gender equality among young people in Horishni Plavni.
- Teens Hub: regular meetings with community youth to challenge professional stereotypes and offer career guidance.
- Implementation of the 'Be the First' project, jointly with the Higher Vocational School of Mining and Construction, aimed at helping school graduates overcome gender stereotypes and providing equal opportunities for girls and women in these industries. Development of the Fe_munity & Skills programme, which aims to encourage the city's women to apply for gender-unbalanced positions by improving their knowledge and skills through free training and education.
- 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.

Responsible Business: Environmental Stewardship

NET ZERO PATHWAY

We recognise the need for Ferrexpo to contribute to mitigating climate change and to adopt a meaningful approach to reducing our emissions.

CLIMATE CHANGE REPORTING

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. This publication marked an important milestone in Ferrexpo's decarbonisation plans and enhancing stakeholder understanding of climate-related issues. Similarly, the continued work on climate scenario modelling and decarbonisation initiatives, as explained in the report, underscores the Group's commitment to sustainable development and addressing the scourge of climate change, even in a time of war.

Due to the many uncertainties, we recognised the importance of flexibility in our Net Zero roadmap to account for external events that affect our ability to operate and invest effectively. To incorporate this adaptability, we collaborated with our sustainability partner, Ricardo, to assess Ferrexpo's pathway to Net Zero under three potential scenarios:

1. CONTINUED WAR SCENARIO:

Ferrexpo will face considerable challenges in reaching its climate goals if the ongoing conflict continues. This scenario thoroughly analyses how prolonged conflict impacts emissions reduction efforts and identifies strategies to mitigate these challenges.

2. POST-WAR RAPID ADOPTION SCENARIO:

Upon the return of peace, Ferrexpo aims to quickly accelerate its actions toward achieving its climate targets. This scenario outlines the necessary actions, investments, and innovations required to compensate for time and progress lost due to the conflict.

3. POST-WAR SLOW ADOPTION SCENARIO:

Ferrexpo examines how best to meet its climate targets under standard operating conditions in a post-conflict setting with normalised operations. Each scenario provides insight into the strategies required for Ferrexpo to adapt and succeed in reaching our climate commitments, regardless of external challenges.

Each scenario relied on date and growth assumptions, set out in the table below.

THE KEY ASSUMPTIONS BEHIND EACH MEASURE

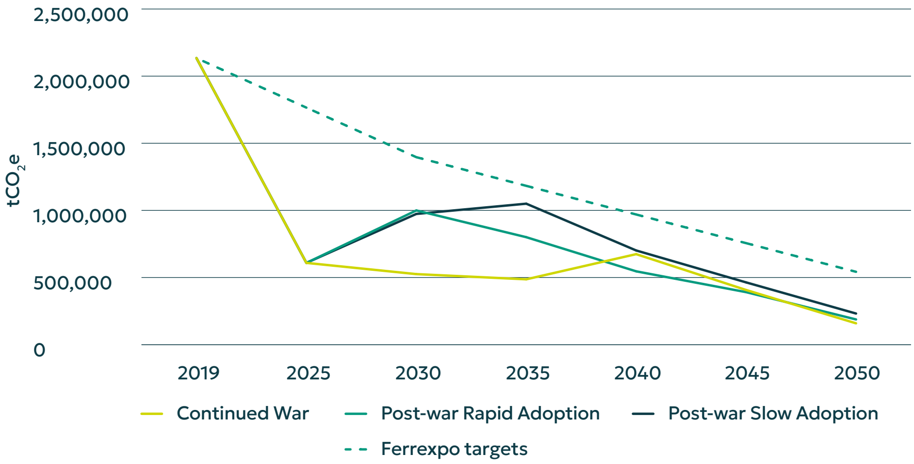
Assumption	Continued War	Post-war Rapid Adoption	Post-war Slow Adoption
Conflict end	2035	2027	2027
Cool-off period	2 years	1 year	3 years
Growth	0% until 2035 +5% avg YoY until 2045	0% until 2027 +8% avg YoY until 2045	0% until 2027 +8% avg YoY until 2045
Misc	No measures implemented until conflict end (except efficiency and monitoring projects). Grid decarbonisation fluctuation based on scenario. Focus on implementing Scope 1 measures first.		

A select group of projects were identified as playing a central role in driving 90% of the emissions reductions, namely:

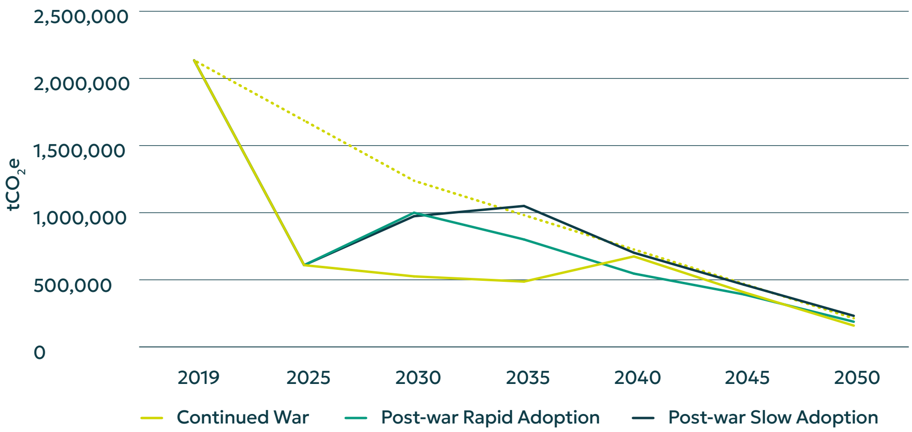
Rank	Measure	Savings
1	Biofuel fired pelletiser	28%
2	Phase out fossil fuels	28%
3	Electric mining vehicles	26%
4	Electrify mining equipment	5%
5	Lower carbon-fueled barges	3%

Modelling these, it was determined that in comparison to the targets we set ourselves in 2019, we are on track to out-perform them for every year and within every scenario. The Continued War scenario, which does not complete all measures by 2050 and assumes the conflict will continue until the late 2030s, appears to be the strongest performing pathway. However, this is only due to a comparative lack of growth in this time, maintaining limited operations and, therefore, limited emissions. When compared to the Science Based Targets initiative ("SBTi") approach, which necessitates a 4.2% annual reduction in emissions from 2019 to 2030, and emissions to be at a maximum of 10% of baseline year emissions, it was determined that we are on track to out-perform SBTi by a considerable margin until 2040 across the "Post-war Rapid Adoption" and "Continued War" pathways. At this point the pathways begin to align with SBTi, but ultimately still deliver SBTi-aligned emission reductions. The "Post-war Slow Adoption" pathway outperforms the SBTi targets until 2035, after which it aligns with the trajectory of SBTi. This is positive because it allows us to seriously assess making a pledge to SBTi once we have clarity on the national conflict situation.

NET ZERO SCENARIO EMISSIONS BY YEAR COMPARED TO FERREXPO TARGETS



NET ZERO SCENARIO EMISSIONS BY YEAR COMPARED TO SBTI TARGETS



More information on the second **Climate Change Report can be found at www.ferrexpo.com**

2024 GREENHOUSE GAS EMISSIONS

The war had a strong impact on greenhouse gas emissions in 2024, in two principal areas: an increase in total production due to the 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.

Total energy consumption for 2024 was 11,142 terajoules, 43% higher than the consumption of 7,786 terajoules in 2023.

GREENHOUSE GAS EMISSIONS FOOTPRINT AND ENERGY CONSUMPTION (1 JANAURY TO 31 DECEMBER)

	2024		2023		Change	
	Absolute (kilotonnes CO_2e)	Unit[1] (kg CO_2e per tonne)	Absolute (kilotonnes CO_2e)	Unit (kg CO_2e per tonne)	Absolute	Unit
Scope 1 emissions	352	52	247	57	+42%	-9%
Scope 2 emissions	277	41	137	32	+102%	+29%
Subtotal (S1+S2) emissions	**629**	**94**	**384**	**89**	**+64%**	**+5%**
Scope 3 emissions	8,856	1,299	5,698	1,324	+55%	-2%
Total emissions	**9,485**	**1,392**	**6,082**	**1,413**	**+56%**	**-1%**

1. Unit basis represents the intensity ratio, aligning to requirements of SECR ("Streamlined Energy and Carbon Reporting").

In addition, emissions from biofuels totalled seven kilotonnes CO_2e compared to four kilotonnes CO_2e in 2023.

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) and gasoil (primarily used in inland waterway logistics activities).

Collectively, these three sources of emissions represented % of Scope 1 emissions in 2024 (2023: 97%), with emissions from the consumption of diesel and gasoil for transport making up 78% of Scope 1 emissions (2023: 70%) and natural gas making up 38% of Scope 1 emissions (2023: 37%). 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 increased by 42% in 2024. This was primarily due to higher production rates. Scope 1 emissions on a unit basis decreased by 9% compared to 2023 due to increased volume efficiencies.

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 increased by 102% compared to 2023. This was mainly due to two reasons, higher overall production, and since May 2024, Ukrainian law has mandated that up to 80% of electricity be imported depending on domestic availability. This has resulted in higher Scope 2 emissions because the majority of the imported electricity does not come from renewable sources. On a unit basis, Scope 2 emissions increased by 29% due to an increased proportion of electricity being sourced from carbon-intensive energy sources.

Calculations of Scope 1 and Scope 2 emissions have been independently assured for a fourth successive year.

SCOPE 3 EMISSIONS

For Ferrexpo, Scope 3 emissions primarily relate to the type of iron ore pellet produced, since the downstream processing of iron ore accounted for 96% of Scope 3 emissions in 2024 (2023: 96%). In 2024, direct reduction ("DR") pellet production increased, representing 7% of all production on a tonnage basis (2023: 0%). This resulted in the lowering of total Scope 3 emissions. On a unit basis Scope 3 emissions decreased to 1.30tCO_2/t of pellet production in 2024 compared to 1.32 tCO_2/t of pellet production in 2023. Absolute Scope 3 emissions increased for the year by 55%.

METHODOLOGY

Where possible, Ferrexpo's methodology for calculating its GHG emissions footprint utilises emissions factors provided by the Greenhouse Gas Protocol, in line with the Global Reporting Initiative's ("GRI") framework for reporting sustainability topics. Through using carbon factors provided by the Greenhouse Gas Protocol, the Group is able to provide carbon dioxide-equivalent emissions figures ("CO_2e") that also account for emissions of both methane (CH_4) and nitrogen oxide (N_2O).

WATER

Our operations include multiple water cycle interactions, from the water ingress into our mines, to recycling water in our processing operations, to the River Dnipro, which flows adjacent to our operations. Testing of water quality has continued throughout 2024, with any discharged water quality tested across more than 12 different chemical elements or attributes. In our processing plant, where water is utilised in the processing of iron ore, we recycled 98% of process water (2023: 97%).

WASTE GENERATION

The Group generates solid form waste from its mining operations (overburden in the form of waste rock and sand), as well as emissions of other gases and dust from its mining and processing operations.

During 2024, waste removal from mining activities increased by 96% due to increased production. It is important to note that the overburden and waste removed from our mining operations are non-hazardous and stored in on-site waste dumps designed by our mine planning department.

Aside from greenhouse gases, gaseous emissions include those emitted from our processing operations (NO_2, SO_2, and CO), with emissions from such sources increasing by an average of 80% during the year, in line with mining volumes. Dust emissions in 2024 also increased 39% compared to the previous year.

ISO-CERTIFIED SYSTEMS

Ferrexpo has an ISO-compliant environment management system (ISO 14001:2015) at both FPM and FBM, with the latter achieving accreditation during 2022. This is in addition to accreditation of our Energy Management System (ISO 50001:2018) at the same two subsidiaries, with FBM also acquiring this accreditation in 2022.

-6%

Scope 1 and 2 emissions fell 6% in 2024, due to increased production volumes.

CASE STUDY

Climate change **report**

During 2024, we released our second Climate Change Report, reaffirming our Net Zero commitments. The full-scale invasion of Ukraine has highlighted the importance of flexibility and resilience in pursuing these goals.

The report details our work during 2024 to deepen our understanding of climate challenges and guide our responses. This includes 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:

STRATEGIC AMBITION AND TARGETS

- Net Zero Scope 1 and 2 emissions by 2050
- 50% reduction in scope 1 and 2 by 2030 (from 2019 baseline)
- 50% reduction in Scope 3 emissions by 2050 (from the 2019 baseline)
- 10% reduction in Scope 3 emissions by 2030 (from 2019 baseline)

PROGRESS AND ACHIEVEMENTS

- Achieved significant emissions reductions from 2019 to 2023:
  - Scope 1 by 58%
  - Scope 2 by 70%
  - Scope 3 by 67%

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.

NET ZERO ROADMAP

Our updated Net Zero strategy outlines three potential war-related scenarios

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.

The top five emission-saving measures to implement for achieving Net Zero

Rank	Measure	Savings
1	Biofuel fired pelletiser	28%
2	Phase out fossil fuels	28%
3	Electric mining vehicles	26%
4	Electrify mining equipment	5%
5	Lower carbon-fueled barges	3%

CLIMATE-RELATED RISKS AND OPPORTUNITIES MANAGEMENT AND SCENARIO ANALYSIS

In the report we updated our TCFD analysis and identified new climate change risks and opportunities. This resulted to a refined shortlist of 35 risks and 28 opportunities, including transition and physical risks from climate change. Of the 63 risks and opportunities analysed, 15 risks and 15 opportunities were deemed material, with additional considerations for the war in Ukraine and evolving legislation. The identified material risks and opportunities were then grouped into six priority areas for climate scenario analysis.

Building on this analysis, we modelled four climate scenarios from the IEA and IPCC, addressing both transition and physical risks across short-term (2024-2030), medium-term (2030-2040), and long-term (2040-2050) timeframes. Additionally, we reviewed our business resilience strategies and adaptive capability measures against the identified material risks and opportunities. See pages 64 to 68 for more information on our TCFD.

CLIMATE POLICY AND REGULATORY ANALYSIS

It is essential to understand how shifting climate policies influence our operations in Ukraine and our main global markets. We analysed 69 environmental and climate-focused policies across 12 geographical locations, including 11 countries and the EU. Commitments and policies are evolving, with the most significant economic impacts in advanced economies with established carbon pricing. EU policy is a priority for Ferrexpo, as it leads global climate regulation and the EU accounted for 72% of total sales in 2023. The EU's Carbon Border Adjustment Mechanism ("CBAM") aims to level carbon costs for supplying EU markets, potentially favouring Electric Arc Furnaces ("EAF") over Blast Furnace-Basic Oxygen Furnaces ("BF/BOF") processes.

ENGAGEMENT

Through collaboration, we aim to reduce emissions, improve resource efficiency, and support decarbonisation across our value chain. Ferrexpo's 'Green Mine Initiative' is a 10-year plan to electrify operations. The initiative focuses on fleet electrification and automation, collaborating with industry leaders and manufacturers. Planned projects include electrifying the mining fleet, installing trolley-assist technology, and integrating battery-electric solutions for equipment like locomotives, excavators, and dump trucks from various OEMs.

Governance: Building trust

Sound corporate governance engenders trust with stakeholders and brings benefits associated with a strong 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 on pages 97 to 157.

BOARD CHANGES AND POSITION APPOINTMENTS

There were few changes to the Board and its sub-committees in 2024. Stuart Brown was appointed Chair of the Audit Committee and member of the Remuneration Committee in January 2024, and member of the Committee of Independent Directors in February 2024. On 11 January 2025, Non-executive Director Natalie Polischuk resigned from the Board of Ferrexpo with immediate effect. Natalie was Chair of the Health, Safety, Environment and Community ("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, has been appointed a member of the Audit Committee and appointed as a member of and will Chair the HSEC Committee.

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 2023: 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 on pages 36 to 41, in the People section and in the Corporate Governance Report on pages 128 to 129.

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 from an ethnic minority group, led by the Nominations Committee and supported by external consultants. Following Natalie Polischuk's departure, recruitment has been prioritised to find a suitable replacement. This search is at an advanced stage and it is anticipated that an appointment of an independent Non-executive Director will be made in the near future. Following Ms. Polischuk's departure from the Board in January 2025, the Board's gender diversity

20%
Female representation on the Group's Executive Committee (one out of five members).

20%
Female representation on the Group's Board of Directors (one out of five Directors).

40%
Target for gender diversity at Board level, as set by the FTSE Women Leaders Review.

3
Three of the Group's six Directors appointed in the past four years.

fell further below the 40% target set by the FTSE Women Leaders Review. While the Board remains committed to achieving this benchmark, its immediate priority is ensuring it has the right mix of skills, particularly sector expertise and geopolitical experience, crucial for navigating the ongoing crisis in Ukraine. The Board expects that its current search for a new Non-executive Director will help it restore gender balance on the Board but, while recognising the Parker Review deadline of 31 December 2024 for FTSE 250 companies, it has decided to defer the appointment of a director from an ethnic minority group until the situation in Ukraine stabilises. Nonetheless, the Board remains fully committed to broadening its composition and will continue to focus on both gender and ethnic diversity targets for UK-listed boards as part of the Board's refreshment programme.

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 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 pages 56 to 63 for more detail on stakeholder engagement.

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, UN Sustainable Development Goals 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 2023 available on the Group's website and the report for 2024 expected to be released in 2025.

Reporting requirements	Reports, policies and standards	Additional information	Risks
Environmental	Climate Change Report Responsible Business Report Tailings Management	Net Zero pathway, pages 49 to 51 Energy consumption, page 49 Climate Change Report on www.ferrexpo.com	Principal Risks, pages 81 to 94
Employees	Ethics and Responsible Business Policy Code of Conduct Health and Safety Policy	People section, pages 36 to 41 Health and safety, page 46 DEI, pages 47 to 48 Responsible Business Report on www.ferrexpo.com	Principal Risks, pages 81 to 94
Human rights	Human Rights Policy Data Privacy Policy Anti-Slavery and Trafficking Statement Information Security	People section, pages 36 to 41 DEI, pages 47 to 48 Ferrexpo Code of Conduct www.ferrexpo.com/about-ferrexpo/corporate-governance/policies-and-standards	Principal Risks, pages 81 to 94
Social matters	Donations Policy Community Policy	Operating during a time of war, pages 6 to 9 Community and civil society, page 59 Responsible Business Report www.ferrexpo.com/responsibility/supporting-communities	Principal Risks, pages 81 to 94
Anti-corruption and anti-bribery	Anti-Bribery Policy Anti-Money Laundering and Counter Terrorist Financing Policy Fraud Risk Management Whistleblowing Policy	Internal controls, page 123 Governance, pages 54 to 63 Governance Report, pages 97 to 157 www.ferrexpo.com/about-ferrexpo/corporate-governance/policies-and-standards www.ferrexpo.com/whistleblowing	Principal Risks, pages 81 to 94
Principal risks and impact on business activities		Business Model, pages 10 to 11 Risk Management, pages 81 to 94 Viability Statement, pages 95 to 96 Going Concern Statement, page 155	Principal Risks, pages 81 to 94
Non-financial KPIs		Key Performance Indicators, pages 16 to 19	

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

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, which is presented on pages 56 to 61 of 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 employees.
- 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 2024 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 led largely 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 employees, contractors, and communities located close to 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. In the previous year, this was performed for Scope 1 and 2 emissions, and in 2024 this was expanded to include Scope 3 emissions for the first time. This year the limited assurance was provided for the LTIFR, and also, for an additional seven safety or human resources related reporting criteria.

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	06
	Our People section	36
	Responsible Business: Health and Safety	46
	Responsible Business: Diversity, Equity and Inclusion	47
Suppliers and customers	Market Review	26
	Strategic Framework	14
Local communities	Operating during a time of war	06
Environment	Responsible Business: Net Zero pathway	49
	Scenario analysis selection and TCFD	64
High standards of business	Business Model	10
	Responsible Business Review	45
	Responsible Business: Governance	54
	Risk Management	81
Investors	Executive Chair's Statement	02
	Chief Financial Officer's Statement	04
	Business Model	10
	Value Proposition	12

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

FINANCIAL MARKETS

We have a broad range of financial stakeholders, 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
- 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 2024
- Business continuity due to ongoing war in Ukraine
- Legal cases against the Company
- Weakness in iron ore markets

Feedback and response of the Board

The majority of the Board of Directors attended the 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, and request for activities are considered.

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
- Regular employee townhalls
- Employee engagement surveys
- 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
- Future investment
- Humanitarian support
- CSR activities
- Support for veterans

What was important in 2024
- Concerns about business continuity due to ongoing war
- Support for colleagues serving in the Armed Forces of Ukraine and veterans
- Visit to operations by Director Designate for workforce engagement
- Employee engagement survey
- Communications from Executive Chair

Feedback and response of the Board

To ensure effective engagement, the Board recognises the importance of a strong presence in Ukraine, where 99% of the workforce is based. To this end, during 2024 the Board included two Ukrainian Independent Non-executive Directors and one Ukrainian Executive Director. Through this presence, Vitalii Lisovenko, the Board's nominated representative for workforce engagement, visited operations during 2024 (see case study Board workforce engagement on pages 62 to 63), and Natalie Polischuk visited employees and stakeholders in Kyiv on a frequent basis.

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 2024
- US$28 million spent on more than 100 humanitarian projects and initiatives and CSR spending since February 2022

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$28 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. Donations in 2024 included UAH10 million to the Okhmatdyt Children's Hospital.

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$657 million to suppliers in 2024 (2023: US$514 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 2024
- Site visits to existing and potential suppliers in Europe, MENA, Asia, North America and Australia
- 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 2024
- 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.

To address increasing interest in climate change, the Board was proud to issue the Group's second Climate Change Report in December 2024.

The Board also approved a suite of MoUs with customers to explore DR pellet supplies and common decarbonisation projects.

GOVERNMENT

Our government stakeholders are state agencies and representatives in Ukraine and globally, as well as international organisations and IFIs. 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 2024

- 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.

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, ExCo 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 Climate Change Report and annual Responsible Business Report.

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 on pages 49 to 53 and the full report can be viewed at www.ferrexpo.com

The Group's 2023 Responsible Business Report, also published in December 2024, 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.

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 he viewed at www.ferrexpo.com.

OPERATING DURING A TIME OF WAR

During the year, the main focus of the Board was to continue to operate during a time of 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 in order 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 Operating during a time of war section on pages 6 to 8.

CASE STUDY

Vitalii Lisovenko

Non-executive Director resident, Vitalii Lisovenko, is the Board's nominated representative for workforce engagement.

Such a nomination is one of the options under Provision 5 of the 2018 UK Corporate Governance Code which aims to integrate stakeholder interests into board decision-making, in particular those of the workforce, to ensure that their interests are heard at the board level.

Vitalii was nominated for this role because he is a Ukrainian resident and decided to stay in Ukraine after the full-scale invasion in February 2022. Vitalii is well recognised in Ukraine; he is currently an advisor to the Minister of Finance of Ukraine, having spent over 20 years in government-related finance roles. He is also a graduate of the Kyiv State Economic University, where he later obtained a PhD in Economics, and has been an Associate Professor of Finance for 15 years.

In his role as Director Designate for Workforce Engagement, Vitalii visits our operations in Horishni Plavni, and meets frequently with other colleagues in Kyiv. In September 2024, Vitalii undertook a three-day site visit. The busy schedule included:

- Three individual meetings with company directors.
- Five separate meetings with different employee groups, including senior managers, line managers, operations staff from the mining, technology and repairs functions, and with demobilised veterans who have returned to the workplace.
- Site visits to the Company's Yeristovo (FYM) and Belanovo (FBM) operations.
- Meetings with the heads of the local city administration.
- Visits to cultural and educational institutions in Horishni Plavni, including the recently opened exhibition documenting Russia's war in Ukraine at the Ferrexpo-funded city museum and Secondary School Number 3, where Ferrexpo has funded a classroom and curriculum dedicated to artificial intelligence.

Following the visit, Vitalii presented a report at the subsequent Board meeting. This covered a variety of issues identified from conversations, including topics such as cost of living and salaries.

These were discussed and considered by the Board, and committed outcomes have included salary increases for Ukrainian based employees. In this way, these visits, the feedback that is garnered, the Board discussion and decisions made, demonstrate the value that is realised – and that this engagement has a meaningful impact for our most important stakeholder group.

"My visit to Horishni Plavni in the autumn of 2024 was my fourth as the Director Designate of Workforce Engagement, and one of my most extensive yet. I have come to learn that the more open and frank my interactions with the workforce, the more that I listen instead of talk, the more trust and value is created. Frankly speaking, the outcomes of my visits are a true example of governance that creates value, for stakeholders, for the Board, and the business as a whole."

Vitalii Lisovenko
Non-executive Director

Ferrexpo's 2024 climate-related financial disclosures for the purposes of UK Listing Rule 6.6.6R(8) and section 414CB of the Companies Act 2006 are detailed below.

Ferrexpo considers that it has made climate-related financial disclosures consistent with the four recommendations and 11 recommended disclosures of the Task Force on Climate-Related Financial Disclosures ("TCFD") – covering Governance, Strategy, Risk Management, and Metrics and Targets. In this reporting period, we have also partially incorporated core elements of the International Sustainability Standards Board ("ISSB") IFRS 2 for Climate-related Disclosures ("IFRS S2"), which aims to provide stakeholders with a comprehensive update on our climate-related financial information. While we remain committed to our climate targets and goals in the long term, we must prioritise business continuity and employee welfare during these challenging times, with plans to reinstate and potentially enhance these initiatives once stability is restored.

Summary disclosure against TCFD recommendations

Governance

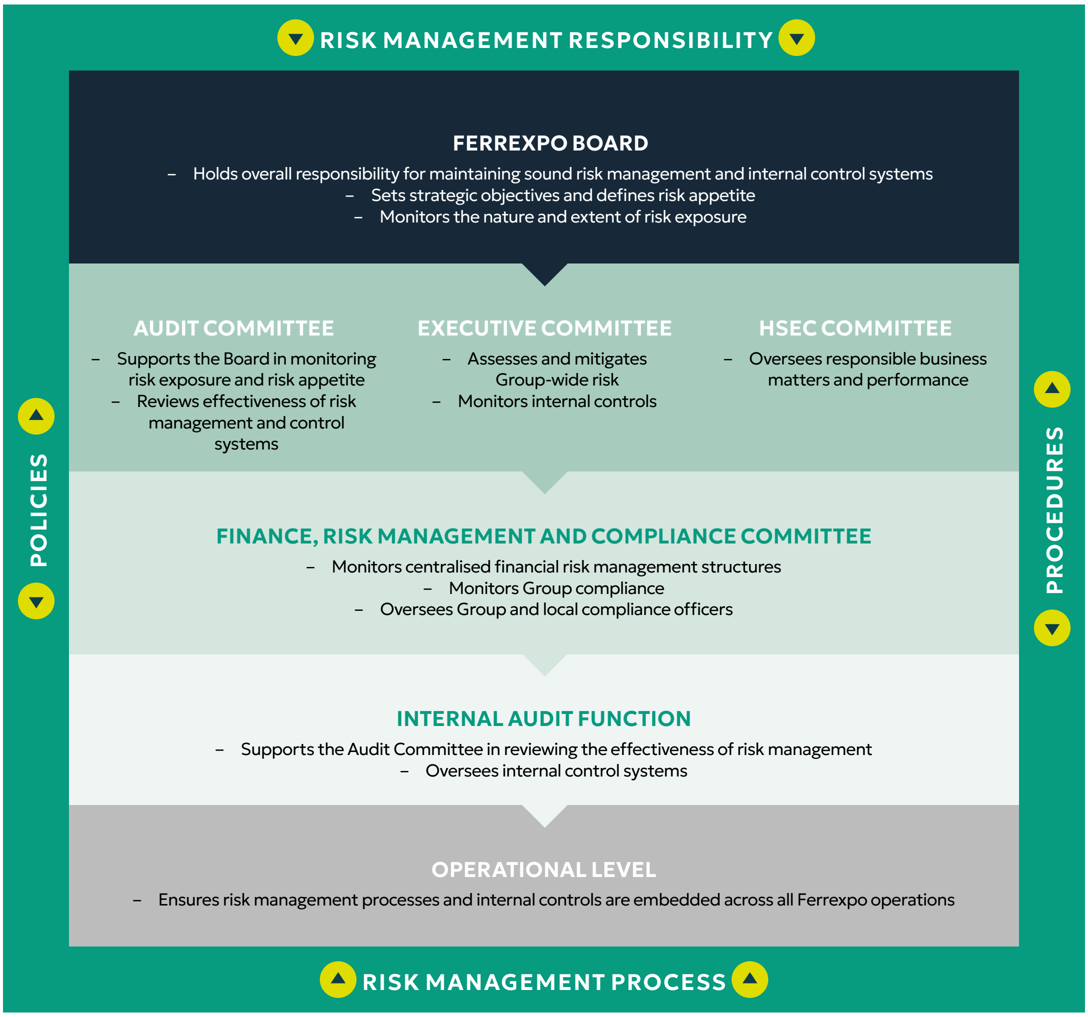
How Ferrexpo complies	Actions in 2024
Board oversight of climate-related risks and opportunities	
• The Board of Directors holds ultimate responsibility for overseeing the Group's strategy, which includes climate change, and climate-related risks and opportunities. The Board considers climate-related issues as part of its decision-making, including in relation to risk management, annual budgets and business plans. • The Board is supported by the HSEC Committee, which has been delegated management of climate-related issues by the Board. The HSEC Committee receives information about climate-related issues through activities such as internal briefings by members of the executive management team, other management and colleagues, and briefings from external advisors. The HSEC Committee reports the Group's progress on climate change related matters, including progress against climate-related goals and targets to the Board on a quarterly basis. A monthly HSEC Report is also provided to and discussed by the Executive Committee. • The HSEC Committee comprises the following members: – Fiona Macaulay, Senior Independent Non-executive Director, and Interim Chair of the HSEC Committee. – Yuriy Khimich, Ferrexpo Belanovo Mining General Director, and Chair of the local Corporate Social Responsibility Committee. – Greg Nortje, Group Chief Human Resources Officer. – Nataliya Storozh, Health and Safety Director, Ferrexpo Poltava Mining. • The Audit Committee serves as a partner to the Board, monitoring the Group's risk exposure and risk appetite, including in relation to climate-related risks, to ensure they align with established thresholds. Additionally, the Audit Committee provides an oversight function by reviewing the effectiveness of implemented risk management and control systems. The Audit Committee is assisted in its oversight role by the Group's internal audit function, which undertakes both regular and ad-hoc reviews of risk management controls and procedures, including in relation to 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 combined roles and responsibilities of the different committees' members ensure comprehensive oversight of ESG topics, and their related climate-related risks and opportunities across Ferrexpo's business operations. This diversity enables individuals with the correct experience and level of oversight across the business to appropriately develop strategies and actions to respond to climate-related risks and identified opportunities.	Climate change was included as a standing agenda item at all scheduled Board meetings this year. The HSEC Committee met four times across the year (four times in previous year 2023), with climate change highlighted as a standing agenda item at all scheduled HSEC meetings throughout the year. **Further refinements** We intend to continue to deliver climate education for the Board through ESG Engagement Sessions, for example, on Climate Transition Plans and the Transition Plan Taskforce and their new framework, which now falls under the IFRS Foundation, as well as emerging UK and EU climate policy and expectations for climate reporting. **Independent limited assurance for non-financial reporting criteria** As part of the Board's oversight of climate-related risks and opportunities, it engaged its auditors to perform a limited assurance on certain non-financial reporting criteria. As in previous years this included absolute Scope 1 and 2 emissions, and in 2024 this was expanded to include Scope 3 emissions for the first time. In so doing the Board is able to add confidence in its emissions disclosures and track progress with more certainty over time.

Summary disclosure against TCFD recommendations

Governance

How Ferrexpo complies	Actions in 2024
Management's role in assessing and managing climate related risks and opportunities	
• The Executive Committee, chaired by Executive Chair Lucio Genovese, oversees the implementation of Ferrexpo's climate strategy, monitors controls, and mitigates Group-wide risks. The Committee is supported by members representing essential business functions. • The Group's executive management team monitors and assesses climate-related risks through its risk monitoring activities as part of the Group's Finance, Risk Management and Compliance Committee ("FRMCC"). Further information on the FRMCC and how management assesses and manages climate-related risks and opportunities is set out in the 'Risk Management' disclosures below.	The FRMCC met nine times in 2024 to assess and evaluate risks, including climate-related risks. The FRMCC reviewed the risk register and oversaw the integration of findings from the 2024 climate materiality assessment into the risk register.

Figure 1: Ferrexpo governance structures and risk management process



More information
Board Committees on page 100

Summary disclosure against TCFD recommendations

Governance

How Ferrexpo complies	Actions
Climate-related risks and opportunities identified over the short, medium, and long term	
With support from Ricardo, a global environmental, engineering and strategic consulting company, we reviewed and refreshed our list of climate-related risks and opportunities, which resulted in an updated shortlist of 63 risks and opportunities (34 new), encompassing transition risks linked to the shift towards a low-carbon economy and physical risks arising from climate change. • These were scored individually based on potential financial magnitude, likelihood of occurrence, and potential business impact. The scoring analysis found 15 opportunities and 15 risks to be material to Ferrexpo. These material risks were grouped under six key focus areas and brought forward for climate scenario analysis. • In order of priority, these six focus areas are: (1) Energy & Emissions, (2) Climate-related Policy & Legislation, (3) Market Demand – Green Steel, (4) Physical Climate Risks, (5) Stakeholder Climate Consciousness, and (6) Circular Economy Principles. Climate-related risks and opportunities were considered over the following time horizons: short- (2024-2030), 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. 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 based on climate change 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 the Group is available on page 94 in this report.	The updated process to refresh our key climate-related risks and opportunities incorporated the latest data, emerging trends, and evolving legislative and regulatory frameworks. This included insights from last year's TCFD, our 2024 climate change regulatory analysis (see our Climate Change Report for more detail) and the output of our 2023 Double Materiality Assessment ("DMA"). Through the DMA, industry-based disclosure concepts were also incorporated in the refresh, including the SASB Extractives and Mineral Processing Sector Standards. **Further refinements** We intend to review our risks and opportunities annually to ensure the most relevant ones are considered and, where possible, directly integrate all into the principal risk register. The risks and opportunities are also assessed to evaluate the impact across Ferrexpo's business model and value chain, to identify where these are concentrated. We will continue to review relevant industry-based guidance when identifying the risks and opportunities, such as the Sustainability Accounting Standard ("SASB Standard") for Metals & Mining.
Impact on the Ferrexpo business, strategy and financial planning	
• Climate change considerations are central to Ferrexpo's business model, with outcomes from this year's TCFD refresh informing future Climate Change Reports and the 2024 Annual Report and Accounts. • The climate-related risks and opportunities that have been identified through scenario analysis serve as the foundation for Ferrexpo's business strategy and financial planning across the short-, medium- and long-term time horizons set out above, guiding our actions and investments to mitigate risks and capitalise on opportunities in alignment with our long-term sustainability goals. This includes increased focus on direct reduction pellets, investment in new technologies, and renewable power generation. • 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 increase in demand for iron ore feedstocks that enable the transition to lower emissions steelmaking. • The EU CBAM will affect supply of our products to European customers, and therefore we have evaluated its impact to prepare for full implementation, considering potential scenarios, including Ukraine's possible EU accession. While the uncertainty caused by the war in Ukraine adds complexity to forecasting the EU CBAM's application, we have analysed best- and worst-case scenarios, reflecting our proactive approach to maintaining robust governance, underscored by our completed Double Materiality Assessment process. To demonstrate our alignment with upcoming regulatory requirements in line with a 1.5°C trajectory, as well as demonstrate our greenhouse gas reduction target trajectory and planned and future decarbonisation investments, we have been following development of the Transition Plan Taskforce ("TPT") Disclosure Framework, with a focus on the Metals & Mining Sector. This is further outlined on page 6 of our 2024 Climate Change Report. A complete description of business impacts under each focus area is available on page 66.	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. We have also taken proactive steps to monitor the potential impacts of the EU CBAM, Ukraine's EU accession, and other policy developments such as the requirement during 2023 and into 2024 to procure Scope 2 electricity outside Ukraine, which has directly influenced our emissions. **Further refinements** While specific details of our financial analyses are considered commercially sensitive, we plan to advance the quantitative analysis of our other material climate change risks and opportunities to strengthen our transition planning, with the aim of publishing our results in future reports.

Summary disclosure against TCFD recommendations

Governance

How Ferrexpo complies	Actions
Resilience based on climate change scenarios	
Climate scenarios from two publicly available, scientifically recognised independent climate change authorities were selected 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 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. Further details and justification of the scenarios used can be found on pages 72 to 79. This modelling provides insights into our resilience under varying climate-related risks and opportunities. 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 monitored and solutions being investigated. Through ongoing 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 to manage the identified risks. For a detailed overview and progress update on Ferrexpo's strategic actions and resilience strategies to mitigate risks and leverage opportunities under each focus area, refer to pages 14 and 15.	As part of the 2024 TCFD refresh, the scenario selection was updated to align with the latest data provided by the IEA and IPCC and to provide further granularity to the analysis of physical risks. In addition, 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. During a business resilience workshop, Ricardo reviewed our resiliency and adaptive capability measures 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. Pages 20 to 34 in the updated 2024 Climate Change Report further detail the TCFD process and results, including this refresh and update. **Further refinements** To align with best 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

Process for identifying and assessing climate-related risks	
• Ferrexpo's Board of Directors oversees the Group's strategy and future direction. This includes overall responsibility for the identification of emerging and principal risks and associated strategies to manage and mitigate such risks. • The Group 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 monetary impact, probability, maximum foreseeable loss, trends, and mitigating actions. • The risk register is updated monthly and discussed by executive management 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 at least quarterly. The FRMCC ultimately reports to the Board 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. • Refer to the Principal Risks section on page 94 for further information on climate risk integration amongst our other principal risks.	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 will affect how our products are sold into the EU. This analysis supports Ferrexpo's process for identifying and assessing climate-related risks by providing critical insights into regulatory impacts and potential vulnerabilities. **Further refinements** We plan to continue to monitor and assess the risks and opportunities that were not deemed financially material in this year's assessment, as they may become more relevant in the future due to changes in the markets and regulatory landscapes In the meantime, our identified climate risks and opportunities continue to be integrated into our risk register and are assessed and managed under the Group's risk management process.

Summary disclosure against TCFD recommendations

Risk Management

How Ferrexpo complies	Actions
Managing climate-related risks	
• To effectively manage climate-related risks, the Board continuously oversees our risk management and internal control systems, with support from the Audit Committee, Executive Committee, and HSEC Committee, 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 page 70, which discusses the materiality process and prioritisation of climate-related risks). • The Executive Chair, Chief Financial Officer, Chief Operating Officer, and 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 94.	The ongoing war in Ukraine has created unprecedented operational and financial uncertainties, necessitating that we shift our focus from growth, decarbonisation, and cultural development to business continuity and resilience. With significant disruptions to electricity supply and broader instability affecting operational stability, we have rebalanced the measures previously included in incentive arrangements to reflect our current near-term priorities and better align costs with performance and reward. These changes take into account the dynamic operating environment that currently prevails as a result of the full-scale invasion of Ukraine. Our Short-term Incentive Plan continues to reflect our strong commitment to sustainability, with Health and Safety, Diversity and Inclusion continuing as key priorities and integral to our policies. Our Long-term Incentive Plan factors in both Company and individual performance with potential reductions—including to zero—if results do not align with the Company's financial, operational, and sustainability objectives. Any awards made under the Company's Short-term and Long-term Incentive Plans remain subject to recovery provisions.
How processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management	
• The Group's processes for identifying, assessing, and managing climate-related risks are fully integrated into the Group's overall risk governance framework, further details of which are set out above and in the Risk Management section on pages 81 to 94.	We acknowledge the importance of being transparent and accountable in our approach to climate transition planning and we have been following the development of the TPT Disclosure Framework, with a focus on the Metals & Mining Sector Guidance. We are committed to providing our stakeholders with a detailed update on our progress in implementing the 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, as well as in our governance structure and risk management practices. Further details of the Group's transition plans are available in our 2024 Climate Change Report. In 2024, climate-related risks and opportunities were integrated into the risk management framework and the internal Enterprise Risk Management ("ERM") processes.

Summary disclosure against TCFD recommendations

Metrics and Targets

How Ferrexpo complies	Actions
Metrics used to assess climate-related risks and opportunities	
• The Group uses a wide range of climate-related metrics including GHG emissions (Scopes 1, 2 and 3 and emissions intensity), as well as consumption of diesel, electricity and natural gas, water usage and waste generation, and land use, including biodiversity baseline mapping to assess and manage climate-related risks and opportunities. For more information on our emissions data (Scope 1, 2 and 3) and climate-related metrics, please see pages 58 to 63 of the 2024 Climate Change Report. • Our Remuneration Policy is designed to incentivise our executives by integrating sustainability-linked objectives into the Short-term Incentive Plan. We set annual targets that are aligned with our medium-term carbon reduction goals for Scope 1 and Scope 2 emissions, aiming for significant progress by 2030. Additionally for Scope 3, we emphasise enhancing production of higher-grade direct reduction pellets, vital for reducing the Group's Scope 3 emissions. Metrics related to our carbon reduction progress are incorporated into our remuneration policies. However, due to the war, it was subsequently agreed that in the current environment, executives are not able to influence this, and our targets are temporarily suspended. More information can be found on page 68, and throughout our 2024 Climate Change Report. • By consistently tracking climate-related metrics and developing policy landscapes (such as the EU CBAM and Ukraine ETS), we aim to ensure that our strategies and actions are aligned with climate-related targets and that we remain responsive to the evolving market demands and environmental imperatives.	Our monitored climate-related metrics have been re-evaluated during the 2024 TCFD refresh to ensure they continue to align with the Group'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 the Group's operations and products, and their ability to effectively track policy, market, and technological changes. In terms of internal carbon pricing, Ukraine is progressing towards an ETS, with a pilot launch anticipated in 2025, though this may face delays due to the ongoing war. Nevertheless, to mitigate the impacts of the EU CBAM and ETS, Ferrexpo remains focused on reducing the embodied carbon in our products to align with emerging regulatory frameworks. We plan to conduct further 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 to consider short—and long-term impacts. Given the war in Ukraine and the impact on business operations, we have temporarily suspended climate-linked components of executive compensation packages. This prudent measure allows us to maintain focus on critical business resilience and operational stability, while ensuring our executive incentive structure remains aligned with immediate strategic priorities during this period of heightened uncertainty.
Ferrexpo's Scope 1, 2 and 3 greenhouse gas emissions	
• We have calculated Scope 1, 2 and 3 emissions, including our reductions to date, against a 2019 baseline (see pages 49 to 53 of 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 Global Reporting Initiative's ("GRI") framework for reporting sustainability topics. Through using carbon factors provided by the Greenhouse Gas Protocol, the Group is able to provide carbon dioxide-equivalent emissions figures ("CO_2e") that also account for emissions of both methane (CH_4) and nitrogen oxide (N_2O). We include historical periods to allow for trend analysis. • With MHA, the Group's principal auditor, an independent assurance process for Scope 1 and Scope 2 carbon emissions was conducted. The conclusion of this review has served to confirm the relevant information as presented in our 2024 Annual Report and Accounts.	As a result of infrastructure upgrades and reduced operational activity due to the ongoing war, the Group emissions from 2019 to 2024 are as follows: • Scope 1 and 2 emissions: reduced by 29% • Scope 3 emissions: increased by 2%
Targets	
• 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. These targets were reinstated in our second updated Climate Change Report, issued in December 2024. • Our targets to achieve 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) remain. • 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 war, Ferrexpo remains focused on decarbonisation, aiming to reduce emissions across our operations.	Despite challenges relating to the ongoing war in 2024, we continued to develop our decarbonisation and Net Zero strategy to support the achievement of our emissions targets. Some programmes are on hold, due to the practicalities of operating during war time – for example, the plans to electrify our mining fleet are progressing, but much of the work is limited to desktop research. However, our intention to reach Net Zero still stands, and our ambitions in the field were published in our recent second Climate Change Report. We collaborated with our sustainability 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. Further information can be found throughout our 2024 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 to scenario analysis to help strengthen our resiliency strategies to maximise climate-related opportunities and minimise risks.

Overview of scenario analysis process

REFRESH CLIMATE-RELATED RISKS AND OPPORTUNITIES

Determine key climate-related risks (e.g., physical risks, transition risks) and opportunities that may arise over the short, medium, and long term.

MATERIALITY SCORING & CONSOLIDATION

Score risks and opportunities aligned with Ferrexpo's internal risk management criteria. Compile the results of the materiality scoring to identify and prioritise climate-material risks and opportunities by common themes.

CLIMATE SCENARIO SELECTION

Select climate scenarios, including Paris Agreement 1.5°C aligned (best-case) and a worst-case pathway, to assess future climate-related risks and opportunities.

SCENARIO ANALYSIS

Conduct qualitative analysis of material risks and opportunities under each climate scenario and assess how these could evolve across time horizons.

BUSINESS IMPACT ANALYSIS

Analyse the risks and opportunities under the scenarios and evaluate their short-, medium-, and long-term impacts on business operations, strategy, and financial performance.

REFRESH STRATEGIC RESPONSES

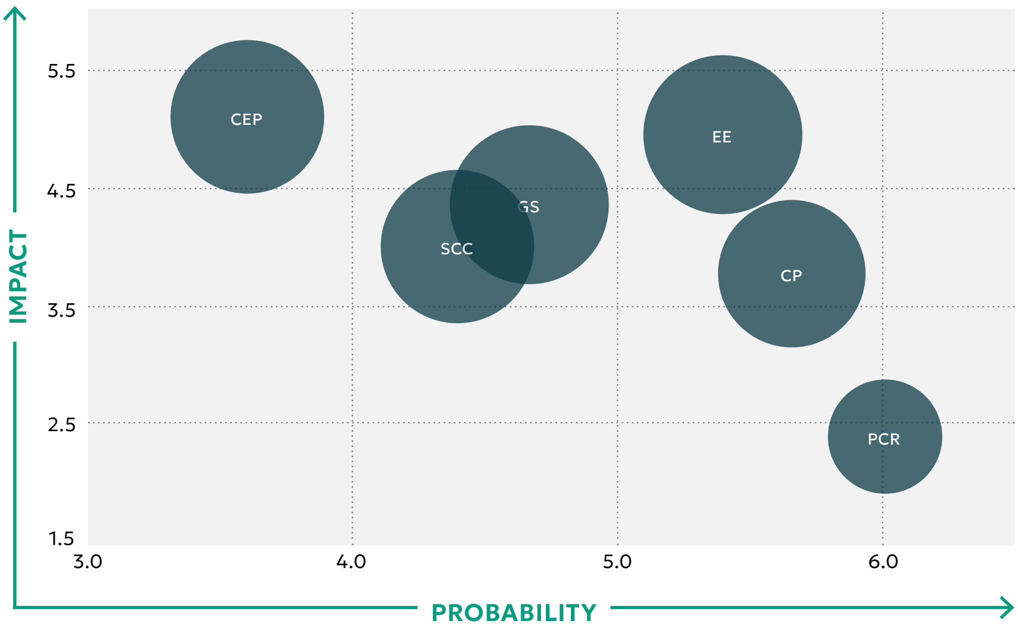
Define strategic actions the company will take in response to the scenario outcomes, ensuring Ferrexpo remains resilient and adaptable to future climate challenges.

To update the list of key potential climate-related risks and opportunities Ferrexpo faces, we incorporated insights from our 2023 TCFD, 2024 climate change regulatory analysis (see our Climate Change report for more detail), our 2023 Double Materiality Assessment, desk research, and competitor review. Through our Double Materiality Assessment process, we also engaged external stakeholders as well as experts from across the different functions within Ferrexpo, including sustainability, corporate governance, risk management, human resources and finance. This process allows us to identify the most relevant risks and opportunities ("R&Os") to Ferrexpo, considering the business implications resulting from the war and current legislative landscape.

A financial materiality assessment was conducted to evaluate and prioritise the risks and opportunities considered the most financially material to Ferrexpo. For 2024, the materiality scoring method was updated to align with Ferrexpo's risk management process. R&Os were assessed based on their potential financial magnitude, likelihood of occurrence and potential business impact. Of the 63 updated risks and opportunities that were identified and evaluated, 15 opportunities and 15 risks were deemed to be material. These were clustered into six priority focus areas for climate scenario analysis.

The matrix in Figure 3 presents the prioritisation of material risks and opportunities as determined through the financial materiality scoring, grouped by priority focus area.

Figure 3: Prioritisation of material risks and opportunities by focus area, based on financial materiality scoring. Bubble size represents the qualitative financial impact on Ferrexpo.



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, scenarios 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.

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 CO_2 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 CO_2 by 2050)
- Internal and shadow carbon prices, by geography
- Hydrogen demand
- Carbon intensity of steel
- Steel production costs by geography

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 CO_2 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.

PHYSICAL

IEA NET ZERO EMISSIONS BY 2050

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).

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

The full-scale invasion of Ukraine which began on 24 February 2022 has had a profound impact on Ferrexpo's workforce and operations, given that all our production is based in Ukraine. Since our inaugural Climate Change Report published in December 2022, the war has continued and the outlook remains uncertain. In addition to the transition and physical specific scenarios above, we also integrated the impact of Russia's war in Ukraine using three scenarios detailed below, acknowledging the additional direct and indirect challenges these could present to building Ferrexpo's resiliency strategies:

- **Continuation of the War:** In the event that the ongoing war persists, Ferrexpo faces significant challenges in meeting its climate targets. This scenario considers how prolonged war impacts emission reductions 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:** In a business-as-usual post-war scenario, Ferrexpo evaluates how to achieve climate targets under normalised operation.

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:

- **Infrastructure risks:** the ongoing war threatens local green energy infrastructure, potentially limiting opportunities to increase the proportion of renewable energy use in Ferrexpo's operational processes.
- **Export disruptions:** ports were reopened, allowing exports to resume in 2024, which poses a risk of increased transport carbon emissions.
- **Increased emissions:** Ukrainian law currently mandates that up to 80% of electricity to be purchased from Europe and 20% from domestic sources depending on the availability of domestic supply. This may affect Ferrexpo's Scope 2 emissions if imported energy does not come from renewable sources.
- **Funding:** current challenges in securing international finance, with capital likely being prioritised for post-war rebuilding efforts.
- **Workforce issues:** 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

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 fines, litigation, and loss of competitive edge.
- Faster decarbonisation than competitors offer reputational gains, investor support, and capital access.

SCENARIO RISK/OPPORTUNITY RATING:

Risks

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

Opportunities:

- Renewable energy sourcing
- Alternative fuels
- Electrification of mining processes

RISK RATING

	Short 2024–2030	Medium 2030–2040	Long 2040+
IEA STEPS	High	High	High
IEA NZE	High	High	Medium

Key: Low, Medium, High

OPPORTUNITY RATING

	Short 2024–2030	Medium 2030–2040	Long 2040+
IEA STEPS	Low	Medium	Medium
IEA NZE	Low	Medium	Medium

Key: Low, Medium, High

POTENTIAL RESILIENCY RESPONSES:

Current:

- 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.

Near-term (2024-2030):

- Secure long-term Power Purchase Agreements for renewable energy and install on-site solar generation.
- 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.
- Invest in R&D and pilot projects for green hydrogen in iron ore processing.

Longer-term (2030+):

- 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 fines, litigation, and loss of competitive edge.
- Faster decarbonisation than competitors offers reputational gains, investor support, and capital access.

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

POTENTIAL BUSINESS IMPACT:

- Green steel adoption is accelerating due to stricter environmental policies, 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 market decarbonisation with direct reduction, cold-bonded pellets, and electric arc furnace production.
- Renewable electricity costs decrease as its share of the global energy mix grows.
- The market for green steel products will continue to evolve, potentially becoming saturated with competitors.

SCENARIO RISK/OPPORTUNITY RATING:

Risks

- Demand for low energy steel
- Ferrexpo product strategy

RISK RATING

	Short	Medium	Long
	2024–2030	2030–2040	2040+
IEA STEPS	Low	Low	Medium
IEA NZE	Medium	High	High

Key: Low, Medium, High

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

OPPORTUNITY RATING

	Short	Medium	Long
	2024–2030	2030–2040	2040+
IEA STEPS	Low	Medium	Medium
IEA NZE	Medium	High	High

Key: Low, Medium, High

POTENTIAL RESILIENCY RESPONSES:

Current:

- Developing cold bonded pellets as a green alternative to reduce Scope 3 emissions.
- 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.

Near-term (2024-2030):

- Develop strategies to mitigate potential short-term market saturation for DR pellets and green products.
- Establish manufacturing capability for technology and equipment required to integrate into a market shift towards green steel.
- Accelerate the integration of technologies to reduce emissions, such as using green hydrogen in pelletising process, to increase competitive advantage.

Longer-term (2030+):

- Monitor Ferrexpo's 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, EU downstream customer market

POTENTIAL BUSINESS IMPACT:

- High CapEx for low-carbon technologies Demand for virgin iron ore may decrease due to increased use of scrap. However, increased demand for virgin iron ore as a necessary mix with recycled steel is expected to offset losses.
- Demand for high-grade direct reduced iron ("DRI") pellets will rise in the long-term, driven by carbon reduction 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.

SCENARIO RISK/OPPORTUNITY RATING:

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

RISK RATING

Short	Medium	Long
2024–2030	2030–2040	2040+
IEA STEPS		
IEA NZE		

Key: Low Medium High

OPPORTUNITY RATING

Short	Medium	Long
2024–2030	2030–2040	2040+
IEA STEPS		
IEA NZE		

Key: Low Medium High

POTENTIAL RESILIENCY RESPONSES:

Current:

- Ferrexpo's DR product supports the scrap steel market by providing virgin feedstock for recycled iron.
- 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.

Near-term (2024-2030):

- 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 leading countries 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 (corporate offices), global downstream customer markets

POTENTIAL BUSINESS IMPACT:

- Carbon pricing, especially under IEA NZE (US$250/t 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 implements 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 may increase.

SCENARIO RISK/OPPORTUNITY RATING:

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)

RISK RATING

	Short 2024–2030	Medium 2030–2040	Long 2040+
IEA STEPS	Low	Low	Medium
IEA NZE	Low	Medium	Medium

Key: Low, Medium, High

OPPORTUNITY RATING

	Short 2024–2030	Medium 2030–2040	Long 2040+
IEA STEPS	Medium	Medium	Medium
IEA NZE	Medium	Medium	Low

Key: Low, Medium, High

POTENTIAL RESILIENCY RESPONSES:

Current:

- Our Net Zero roadmap and continuous monitoring of global carbon prices enables decisions on diversification and the development of carbon reduction technology 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 climate policies.

Near-term (2024-2030):

- 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.

Longer-term (2030+):

- Promote technology for shipping partners to meet carbon emission regulations, 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.
- 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

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 changing towards a greener outlook.
- Opportunity for Ferrexpo to upscale 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.

SCENARIO RISK/OPPORTUNITY RATING:

Risks

- Offset credibility

Opportunities:

- Transition to a low carbon economy.
- Ferrexpo market & product position

RISK RATING

	Short 2024–2030	Medium 2030–2040	Long 2040+
IEA STEPS	Low	Low	Medium
IEA NZE	Medium	High	High

Key: Low, Medium, High

OPPORTUNITY RATING

	Short 2024–2030	Medium 2030–2040	Long 2040+
IEA STEPS	Low	Low	Medium
IEA NZE	Medium	High	High

Key: Low, Medium, High

POTENTIAL RESILIENCY RESPONSES:

Current:

- Ferrexpo maintains flexibility to adapt DR pellet production to customer demand, ensuring premium pricing is achieved, aligning with the speed of the low-carbon transition.
- 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.

Near-term (2024-2030):

- 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.

Longer-term (2030+):

- 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.

PHYSICAL CLIMATE RISKS

Considers the impact of physical climate risks such as extreme weather events and long-term climate changes on Ferrexpo's direct operations, downstream operations (namely shipping), and infrastructure.

GEOGRAPHIC FOCUS:

Ukraine, UK, and Switzerland (corporate offices), global downstream customer markets

POTENTIAL BUSINESS IMPACT:

- Increased operational costs to ensure facilities are sufficiently cooled and can remain operational (e.g. via increased air conditioning or purchasing additional cooling equipment).
- Reductions in the well-being of our employees, limiting their ability to work.
- Legal liabilities due to employee welfare and workplace safety.

SCENARIO RISK/OPPORTUNITY RATING:

? Risks

- Increase in heatwaves

RISK RATING

	Short 2024–2030	Medium 2030–2040	Long 2040+
IEA STEPS	Low	Low	Medium
IEA NZE	Low	Medium	Medium

Key:

Low Medium High

POTENTIAL RESILIENCY RESPONSES:

Current:

- Our current resilience on the ground, and adaptation measures are focussed on prioritising employees' safety concerns due to the ongoing war.

Near-term (2024-2030):

- Assess climate-induced conflict and political instability by likelihood, Ferrexpo operating and trading locations and Ferrexpo business plan time frames.
- Implement water conservation & recycling programmes.

Longer-term (2030+):

- Identify vulnerable areas in operations, supply chain, and workforce for targeted climate resilience strategies.
- Research mitigation and adaptation options for areas at-risk from physical climate risks.
- Engage with third parties to improve resilience in areas outside Ferrexpo's direct operations.

Consideration of IFRS S2

For the 2024 reporting period, Ferrexpo has begun partially incorporating the core elements of IFRS S2, reinforcing our commitment to climate-related transparency by leveraging robust data and established processes, building on our existing TCFD-aligned disclosures.

Despite the unprecedented challenges presented by the ongoing war, we have continued to demonstrate our strong resilience through investing in refreshing our climate scenario analysis. We seek to show our commitment to transparency and sustainability through our climate-related actions and disclosures:

- **Governance:** climate change remains a priority at Board and committee meetings, supported by ongoing ESG Engagement Sessions to enhance climate education for our Board.
- **Risk and opportunity assessment:** improved evaluation of climate-related risks and opportunities, such as through the incorporation of our Double Materiality Assessment results and in-depth climate policy and regulatory review.
- **Metrics and targets:** collaborating with our sustainability partner, Ricardo, to develop a feasible, science-based roadmap to achieve Net Zero emissions by 2050.
- **Resilience:** updated and refined our resilience strategies to reflect current risks and opportunities, while providing transparent updates on the implementation progress of our strategic actions.

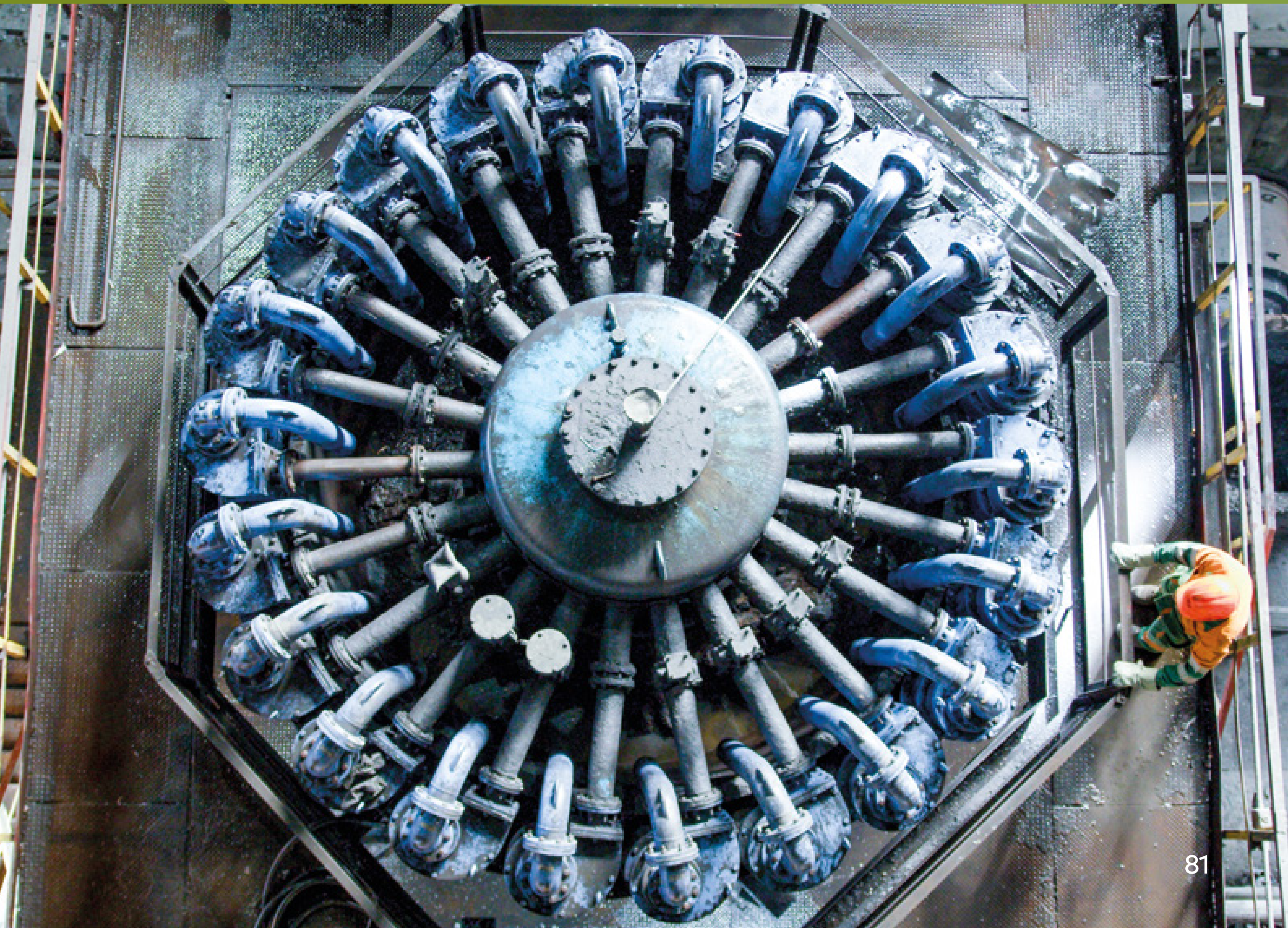
Ferrexpo recognises that full compliance with IFRS S2 is something to be achieved progressively. Development areas could include:

- Measure and improve data quality for comprehensive Scope 3 emissions across all relevant categories.
- Evaluate options to develop an internal carbon price, to guide investment decisions and capital allocation, including consideration of the financial impact of potential carbon regulations e.g. EU CBAM, EU ETS.
- Continue to advance the quantification of the financial impacts of climate-related risks and opportunities in detail and make this publicly available.
- Integrating industry-specific metrics and targets to address material risks and opportunities.

Ferrexpo aims to achieve full IFRS S2 compliance by the end of the year ending 2026. This phased approach ensures the quality and reliability of disclosures while advancing the integration of IFRS S2 into our reporting framework.

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.

RISK IDENTIFICATION

Ferrexpo seeks to manage risks across the business through the early identification of risks before they emerge. Senior managers and the Group's executive management team are responsible for maintaining and regularly reviewing risk registers for each business function.

The Group risk register, which operates on an enterprise risk management platform ("ERM"), records risks on the basis of the likelihood of occurrence and level of any potential impact on the business. A total of 55 risks were included on the Group risk register as of January 2025. Risks range from those related to Ukraine, including the war and judicial system, along with operating and health and safety risks arising from the Group's mining and processing activities to broader societal risks such as climate change. Operating entities maintain their own local risk registers, which feed into the Group risk register.

Not all the risks managed in the ERM are presented in this section, rather only those deemed by the Group's management to be Principal Risks.

Please see pages 84 to 94 for a detailed review of Principal Risks.

RISK MITIGATION

Risks are inherent in operating a business and it is through effective risk identification, risk management, prudent decision making and other risk mitigation measures that the Group can understand and mitigate them. The Group's management team understands that it cannot eliminate all risk.

RISK GOVERNANCE FRAMEWORK

Risks are reported internally on a monthly basis, as part of the Finance, Risk Management and Compliance Committee ("FRMCC"), with the Group's senior leadership team reviewing the Group-level risk matrix, which plots the likelihood of occurrence against the potential severity of impact, and identifying material changes in either variable to all of the risks listed. Each risk attributed a potential monetary impact 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. The Group's internal audit function also assists with the process of risk review and conducts ad-hoc reviews of risk management controls and procedures.

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 on page 118.

RISK ASSESSMENT FOR 2024

The risk matrix depicts the principal risks facing the Group as identified in the Group Risk Register. More detailed information on each risk on the following pages, including a risk definition, any potential impact, opportunities and risk management and mitigation.

Risk management process

Ferrexpo Board
- Takes overall responsibility for maintaining sound risk management and internal control systems.
- Sets strategic objectives and defines risk appetite.
- Monitors the nature and extent of risk exposure, which includes principal and emerging risks.

Audit Committee
- Supports the Board in monitoring risk exposure and risk appetites.
- Reviews effectiveness of risk management and control systems.

Executive Committee
- Assesses and mitigates Group-wide risk.
- Monitors internal controls.

Health, Safety, Environment and Community ("HSEC") Committee
- Oversees corporate social responsibility-related matters and performance.
- Has specific focus on safety and climate change-related risks.

Finance, Risk Management and Compliance Committee ("FRMCC")
- Monitors centralised financial risk management structures.
- Monitors Group compliance.

Internal audit function
- Supports the Audit Committee in reviewing the effectiveness of risk management.
- Tests internal control systems and recommends improvements.

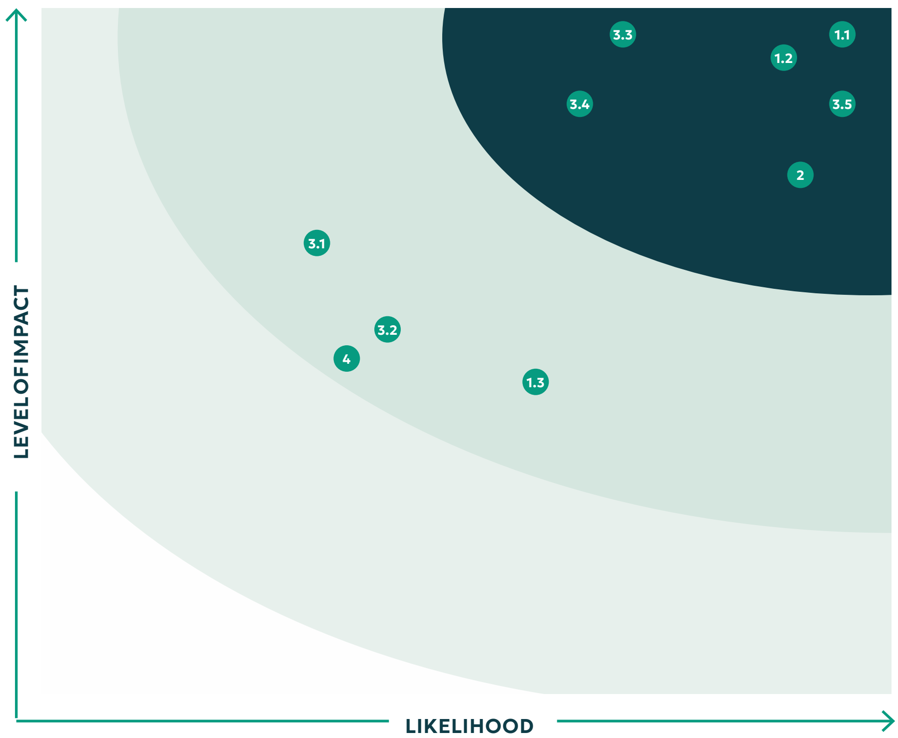
Operational level
- Risk management processes and internal controls embedded across all Ferrexpo operations.

Principal risks materiality matrix

The Principal Risks identified in the heat map to the right highlight which risks could have the greatest severity of impact on the Group's operations and viability.

Key

1.1 War risk
1.2 Ukraine country risk
1.3 Counterparty risk
2 Market and pricing risks
3.1 Health and safety risks
3.2 Production risks
3.3 Logistics risks
3.4 Operating costs risks
3.5 Information technology and cybersecurity risks
4 Climate change risks



Please see pages 84 to 94 of this report for a full summary of Principal Risks

Understanding risks and our business model

Principal Risks are assessed on the basis of impact and probability and are considered to have the greatest potential effect on the business. Each Principal Risk is linked to aspects of the Group's strategy that could be affected if an event were to occur.

LINKS TO STRATEGY AREAS

Each Principal Risk is linked to the aspects of the Group's strategy that could be impacted if an event were to occur.

- Produce high quality pellets
- Achieve low cost production
- Maintain strong relationships with a network of premium customers
- Conduct business in a safe and sustainable manner
- Retain a balanced approach to capital allocation

For more detail on our strategy, **see pages 14 to 15.**

Risk materiality key

- ▲ Risk currently considered to be materially increasing in significance to the Group's activities.
- ◀▶ Risk currently considered to be neither materially increasing nor materially decreasing in significance to the Group's activities.
- ▼ Risk currently considered to be materially decreasing in significance to the Group's activities.

INTRODUCTION

This section outlines the Principal Risks facing the Group, each of which have the potential to negatively or positively affect the Group, in isolation or in combination. Principal Risks are defined as factors that may affect the Group's ability to operate in its normal course of business, and may be internal, in the form of risks derived through the Group's own operations and activities, or external, such as political risks, market risks or climate change related risks. The Principal Risks listed here 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 in this report are considered 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's Risk Register are conducted throughout the year. The Group's management team continually reviews and updates its view on, and approach to, risks facing the Group. This section of the Annual Report and Accounts primarily covers risks facing the Group in 2024, but also early in 2025, up until the publication date of this report. A further update on the Principal Risks will be provided in the Interim Financial Results, which is due to be published in August 2025.

KEY THEMES

ONGOING WAR IN UKRAINE SINCE THE FULL-SCALE INVASION IN FEBRUARY 2022

On 24 February 2022, Russia launched a full-scale military invasion of Ukraine, with the conflict continuing into its fourth year as at the date of this report. The war has significantly changed the operating environment for businesses in Ukraine. Please see page 85 for more information on this risk area.

UKRAINE COUNTRY RISK

This area has been listed as a Principal Risk facing the Group since listing in 2007. The Group has successfully navigated and operated through challenging circumstances for more than 17 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 page 86 for more information on this risk area.

IRON ORE MARKET AND PRICES

The Group produces a variety of high grade premium iron ore products that are sold to steel mills around the world. The iron ore market is competitive and dominated by four large producers that supply over 50% of the addressable market, and with Chinese demand accounting for approximately two thirds of the global market. During 2024, prices for iron ore products decreased, which put pressure on margins. Please see page 88 for more information on this risk area.

CLIMATE CHANGE

In 2023, the Group completed a double materiality assessment. The feedback from a broad range of stakeholders demonstrated that climate change is considered a significant risk for the Group. Reflecting the interest in this topic, the Group published its second Climate Change Report in December 2024. Please see pages 52 to 53 for a summary of the Climate Change Report and page 94 for more information on this risk area.

1. Country risk

1.1. War risk (external risk)

RESPONSIBILITY	RISK APPETITE	LINKS TO STRATEGY
Board of Directors including Executive Chair	Low	

It is over three 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 are frequent. The business has remained relevant by adapting to the challenges it faces, keeping a full workforce and continuing to produce and export.

POTENTIAL IMPACT

At a national level the war is placing a strain on the economy. Tax revenues have fallen while spending on the military has increased. Consequently, the government has sought to increase revenues from business. Examples include increasing railway tariffs and new laws on the repatriation of funds and currency controls.

The war places unique challenges on the business. At the end of December 2024, 8% of the workforce were serving in the Armed Forces. Those at work are enduring psychological stress. The working day is frequently interruption by air raid alerts. Damage to energy infrastructure has forced the need to import electricity at higher tariffs. Supply chain disruptions have limited the variety of suppliers and increased costs for key consumables. Access to logistics routes can be blocked or disrupted.

OPPORTUNITIES

Ferrexpo has built resilience throughout through the war to become nimbler and more adaptive to the challenges it faces.

This is evident in 2024 as the business adjusted its production and logistics strategies to respond to workforce, energy, infrastructure and logistics availability, while expanding production and its customer base. The Group has also strengthened its relationships with the local community through its humanitarian and CSR activities.

RISK MANAGEMENT AND MITIGATION

The Group has taken measures to ensure the safety and wellbeing of its workforce and 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.

For more details about operating during a time of war
See pages 6 to 9.

1. Country risk continued

1.2. Ukraine country risk (external risk)

RESPONSIBILITY
Board of Directors including Executive Chair

RISK APPETITE
Low

LINKS TO STRATEGY

Reflecting higher fiscal and political risk, Transparency International Corruption Perceptions Index, an indicator of public sector corruption, scores Ukraine 36 out of 100, which ranks 104 of 180 countries. The Group is currently subject to 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 he was associated with.

POTENTIAL IMPACT

Legal proceedings are ongoing in Ukrainian courts. The highest risk cases include: 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 three mining entities; a claim on FPM to recover UAH4.7 billion (US$113 million) for contested sureties; and litigation regarding share freezes in all Ukrainian subsidiaries related to the investigation in connection with Bank F&C. Some other cases include claims related to royalties, ecology, waste products, transfer pricing and tax disputes.

An escalation in activities against the Group have been noted after the reporting period, including a new civil claim, and media announcements from Ukrainian state authorities concerning nationalisation of assets and parts of the corporate rights of FPM.

Due to its association with Mr Zhevago, the Group may also experience negative media attention, operating challenges and relationships with its stakeholder groups.

OPPORTUNITIES

The Group's exposure to operating in Ukraine can result in high velocity risks that could result in a material financial loss for the Group and a loss of control of the Group's assets.

RISK MANAGEMENT AND MITIGATION

In addition to defending itself in the courts, 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 respected and protected. This is considered important today, but also in the future if international capital is to be attracted to investing in Ukraine's recovery.

For more details about legal proceedings
See Note 30: Commitments, contingencies and legal disputes to the Consolidated Financial Statements.

1. Country risk continued

1.3. Counterparty risk (external risk)

RESPONSIBILITY
Board of Directors including Executive Chair

RISK APPETITE
Low

LINKS TO STRATEGY

As a business operating in Ukraine during a time of war, interactions and relations with suppliers of goods and services, and other broader stakeholders with whom the Group has relations, carry increased risks.

POTENTIAL IMPACT

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 and procurement issues. Indirectly, this could result in reputational issues, affecting financial market and customer stakeholders.

Counterparty risk may also be exacerbated due to perceptions about the Group's connection to Mr Zhevago and influence that certain agencies place on counterparties to work (or not) with the Group.

OPPORTUNITIES

Despite the challenging environment, the Group can strengthen its supplier governance and diversify its supplier base.

The ongoing development of the Group's Code of Conduct for Suppliers, coupled with robust compliance checks, helps enforce high ethical standards. By maintaining sufficient cash reserves and exploring alternative goods and services, the Group can enhance its resilience to supplier failures and ensure operational continuity.

Additionally, the FRMCC and local compliance teams provide opportunities to refine risk management practices and improve oversight, thus safeguarding the Group's reputation and long-term operational viability.

RISK MANAGEMENT AND MITIGATION

To mitigate these risks, the Group employs comprehensive governance and due diligence measures. Regular compliance checks are conducted, with 1,795 checks performed on potential third parties in 2024, 10% fewer than in 2023. High-risk entities undergo further scrutiny by the FRMCC, which ensures adherence to laws and ethical standards. Staying close to critical suppliers is paramount, as is diversification, where feasible, to reduce supplier risk.

The FRMCC also monitors high-risk ownership structures and ensures regulatory compliance under frameworks like the UK Bribery Act 2010 and the Modern Slavery Act. The HSEC Committee oversees governance on community-related expenditures, further strengthening accountability in broader stakeholder engagements.

For more details about the groups external stakeholders
See pages 56 to 61.

2. Market and pricing risks

RESPONSIBILITY	RISK APPETITE	LINKS TO STRATEGY
Board of Directors including Executive Chair and Chief Marketing Officer	Low	

The Group sells iron ore products, the principal feedstock for the production of steel. The price of iron ore is set according to demand for steel and global iron ore supply, with adjustments made for the type, quality and specification of the iron ore product and the cost of delivery.

In line with industry standards, the Group is a price taker, not maker, and therefore follows benchmark prices for pellet premiums set by its larger peers. Pricing adjustments, in the form of premiums or discounts, are also applied to account for differences in both chemical and physical characteristics to the benchmark specifications.

POTENTIAL IMPACT

As a producer of high-grade iron ore products, the Group prices its products referencing the benchmark high-grade 65% Fe iron ore fines price, which fell 26% in 2024. Therefore, volatility in the benchmark iron ore indexes has a corresponding impact on the Group's margins.

As a producer of iron ore pellets, a metallurgically beneficiated form of iron ore, the Group realises a premium for its products compared to traditional iron ore products. However, in line with industry standards, the market premium for pellets is set by the world's largest producer, hence placing Ferrexpo in a price-taking position. In 2024, the premium for pellets saw sustained declines across major markets.

To stay relevant, Ferrexpo will need to continually improve the quality of its existing products and develop new products to meet market demands. This may involve capital investments, which are difficult to secure during a time of war.

OPPORTUNITIES

Ferrexpo is well positioned to meet growing demand for products that improve efficiencies and lower emissions in steel making, especially in Europe and MENA.

This has been evident during 2024, with a range of MoUs with premium steel mills around the world, exploring opportunities to secure supply of the Group's DR pellets, used in lower-emission steelmaking processes and decarbonised logistics routes.

Since the Ukrainian Black Sea ports opened in late 2023, the Group has resumed its seaborne exports via Ukrainian ports. Shipping rates and risk premiums have fallen over 2024 and into 2025, as more shipowners returned to the Black Sea and geopolitical risks in the Red Sea have eased. Consequently, the Group no longer recognises freight rates as a standalone principal risk, due to improved vessel availability and lower costs.

With owned and leased rail, river barges and seaborne vessels, the Group has access to a flexible and multi-nodal logistics network.

RISK MANAGEMENT AND MITIGATION

During 2024, the marketing team met with customers around the world and presented at key industry events. This has resulted in increased sales to more customers, including new ones, in more geographies than at any time since the full-scale invasion of Ukraine.

The Group has also continued to invest in its operations. For example, customers have reported that the new press filtration complex has improved product quality, and a new pellet coating facility has enabled the Group to deliver customised pellets to specific buyers with higher quality requirements.

The market outlook for iron ore prices, however, remains uncertain. Ferrexpo regularly reviews its options to hedge sales, however, the Group's current situation does not allow this. The Group must therefore continue its focus on premium customers for its high-grade products while doing what it can to lower costs.

For more details about the Group's sales and marketing activities
See page 46.

3. Operating risks

3.1. Health and safety risks (external and internal risk)

RESPONSIBILITY
Board of Directors including Executive Chair and Group Chief Human Resources Officer and Chief Operating Officer

RISK APPETITE
Low

LINKS TO STRATEGY

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. 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 improvements.

POTENTIAL IMPACT

Health and safety risks at the most extreme include serious injuries or fatalities, although all injuries are taken seriously.

Health and safety events can result in financial claims for personal injury and penalties by regulators. They can also result in operational disruptions and damaged equipment.

A poor health and safety performance reflects poorly on a company and this can lead to reputational issues and poor morale, making it harder to attract and retain employees.

Activities are typically conducted around the clock, making poor weather and low light conditions an additional risk.

During a time of war, missile and drone attacks are frequent and pose a significant threat.

OPPORTUNITIES

The Group is constantly looking for ways to improve its safety performance through the adoption of technologies such as autonomous equipment, which reduces human presence in hazardous environments.

Assessing comprehensive 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 a fixed agenda item at every Board and Executive Committee meeting.

The Group takes a proactive approach to health and safety by understanding the root causes of safety incidents through 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 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 details about the Group's approach to health and safety
See pages 26 to 29.

3. Operating risks continued

3.2. Production risks (external and internal risk)

RESPONSIBILITY
Board of Directors including Executive Chair and Chief Operating Officer

RISK APPETITE
Low

LINKS TO STRATEGY

The mining, processing and transportation of iron ore is complex and inherently risky. The production cycle requires the coordination of technical activities such as blasting, excavation, haulage, beneficiation, and pelletising. Careful planning is critical to ensure a smooth process, especially as other factors such as equipment failures and repairs, weather disruptions, workforce availability and the risk of missile and drone attacks can hinder operations. Experience, careful management, and risk management measures are necessary to reduce impacts on the production cycle.

POTENTIAL IMPACT

Unforeseen operational risks can increase costs through lost or delayed production.

There may also be costs related to repairing or replacing damaged equipment and machinery.

In extreme cases, such as a pit wall failure or tailings dam breach, financial losses and reputational damage could occur, especially if there are delays in shipping final products to customers.

External factors such as the ongoing war have the potential to indirectly impact operations and production, due to workforce challenges, supply chain disruptions, and restrictions on certain operational practices.

The Group also faces long-term risks related to climate change and geopolitical instability, particularly in Ukraine.

OPPORTUNITIES

There are opportunities to reduce risk exposure through improved operational planning, modernisation of equipment, and enhanced risk monitoring.

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 Group's proactive efforts to diversify energy sources through solar power and enhance workforce capabilities by expanding recruitment and training programmes are also positive steps toward 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.

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, remains difficult to eliminate entirely.

For more details about the Group's operating activities, **see pages 20 to 23**, how the Group manages its workforce structure and composition **see pages 36 to 41** and plans to modernise and electrify its mining activities **see pages 24 to 25**.

3. Operating risks continued

3.3. Logistics risks (external and internal risk)

RESPONSIBILITY
Board of Directors including Executive Chair and Chief Marketing Officer

RISK APPETITE
Low

LINKS TO STRATEGY

The Group is dependent on a reliable and efficient logistics network for transporting its products to its global customer base. Disruptions to logistics, including capacity, availability, and unforeseen events such as extreme weather, geopolitical risks and political interference, can significantly affect the Group's ability to operate and generate revenue. The Group uses a variety of logistics networks, including railways, inland waterways, and port facilities, using a combination of owned rail wagons, barges and an ocean-going vessel, complemented by third-party providers.

POTENTIAL IMPACT

Disruption to logistics networks can lead to delays, resulting in 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.

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 could affect cash flow and the ability to maintain a stable financial position.

Risks associated with weather, climate change, or political instability could exacerbate the situation and further hinder operations.

The war has affected access to logistics routes. In 2024, access to Ukrainian Black Sea ports was restored, allowing the Group to expand seaborne sales. However, there is no guarantee that Ukrainian Black Sea ports will be permanently available while the war continues.

OPPORTUNITIES

The Group has 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 and reduced dependency on third-party providers.

Owning a trans-shipment vessel and inland waterway logistics company strengthens the Group's position in maintaining consistent supply routes.

These efforts present opportunities for the Group to better manage logistical risks and optimise its transportation network, ultimately improving customer service.

RISK MANAGEMENT AND MITIGATION

The Group has proactively worked to mitigate logistics risks by investing in its own railcars, port facilities, and inland waterway operations. By owning a stake in key infrastructure such as shares in a Ukrainian Black Sea terminal, and a trans-shipment vessel, the Group has enhanced its ability to bypass potential disruptions. The Sales and Marketing team work closely with ocean-going vessel providers, keeping them informed of Black Sea developments. Encouragingly, more shipping companies are returning to the Black Sea.

For more details about the Group's sales and marketing activities
See pages 26 to 29.

3. Operating risks continued

3.4. Operating costs risks (external and internal risk)

RESPONSIBILITY
Board of Directors including Executive Chair and Chief Operating Officer

RISK APPETITE
Low

LINKS TO STRATEGY

The Group's operations are energy-intensive and depend on inputs including diesel, natural gas, and electricity. The costs of these are influenced by market factors beyond the Group's control, such as energy price fluctuations and the availability of electricity. Additionally, the Group faces broader inflationary pressures, affecting everything from equipment and maintenance to wages. The war in Ukraine has exacerbated these issues by preventing the Group from operating at its full capacity, leading to higher unit costs and lower production.

POTENTIAL IMPACT

Consumables and energy prices directly affect profitability, and inflationary pressures can further erode margins. Due to the war, these impacts are greater as the Group is unable to operate at full capacity and supply of certain critical inputs is more difficult.

For example, due to attacks on the Ukrainian energy grid in 2024, the Group was forced to import electricity for up to 80% of its needs at prices up to 26% higher than domestic electricity tariffs. Experiencing its own cost issues, the state railway provider is frequently increasing freight rates at above inflation levels.

The inability to source alternatives due to war restrictions and monopoly markets has resulted in significant cost pressures that are outside of the Group's control. This has continued into 2025.

OPPORTUNITIES

Energy and fuel represent 45% of production costs, which is why the Group is focussed 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 electrify the mining fleet.

The biggest 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

During 2024, the Group successfully brought back idled production capacity. This resulted in some economy of scale benefits such as reducing fixed overheads on a unit basis, and the use of larger seaborne vessels to customers in MENA and Asia.

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 2024, in relation to domestic electricity tariff proposals.

For more details about the Group's operating costs
See pages 32 to 33.

3. Operating risks continued

3.5. Information technology and cybersecurity risks (external and internal risk)

RESPONSIBILITY	RISK APPETITE	LINKS TO STRATEGY
Board of Directors including Executive Chair	Low	

As the Group's activities rely increasingly on digital technology, IT security is a critical area of concern. As the complexity of cyberattacks grows, including threats such as malware, ransomware, phishing, and denial-of-service attacks, the risk to the Group's IT systems has increased. Cyberattacks may compromise the availability and confidentiality of infrastructure. The ongoing war, which has led to a shortage of skilled IT personnel in Ukraine due to conscription, has exacerbated the situation, whilst cyberattacks aimed at Ukrainian organisations and businesses are increasing.

POTENTIAL IMPACT

The potential impact of this risk is substantial, as a successful cyberattack could disrupt production, compromise sensitive data, and damage the Group's ability to operate.

Given the increasing sophistication of cyberattacks and the broader geopolitical context, the Group may face prolonged operational disruptions, financial losses, and reputational damage.

The shortage of skilled IT professionals in Ukraine due to the war could also further delay response times and remediation efforts.

OPPORTUNITIES

Despite these risks, 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.

RISK MANAGEMENT AND MITIGATION

To mitigate these risks, the Group has implemented a variety of measures. 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 Group also implements regular software and hardware updates, ensuring that known weaknesses are addressed promptly. These proactive measures aim to minimise the risk of cyberattacks and maintain operational continuity

The shortage of IT personnel is addressed by deployment of automation packages, including cybersecurity control suites, increased quantity of third-party security audits, deployment of new off-site backup policies for critical production and mining data.

4. Climate change risks

RESPONSIBILITY
Board of Directors including Executive Chair and Chief Marketing Officer

RISK APPETITE
Low

LINKS TO STRATEGY

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. 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 increasing, which requires increased time and costs.

POTENTIAL IMPACT

The potential impact of climate change on Ferrexpo's operations could result in financial, operational, and reputational 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.

These risks could impact the Group's market position, create financial burdens, and damage its reputation if it is seen as not doing enough to reduce emissions.

At the present time, the Group is forced to import power generated from carbon-intensive fuels. This has temporarily increased Scope 2 emissions because the power is more carbon intensive compared to Ukrainian power, which is generated from nuclear and hydro sources.

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.

The Group's 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. The market for DR pellets is forecast to grow and outstrip traditional iron ore products.

By advancing these measures, Ferrexpo can reduce its environmental impact and align with global trends, safeguarding its reputation and viability.

RISK MANAGEMENT AND MITIGATION

To mitigate these risks, 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 company 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 details on climate change please see the case study **on pages 52 to 53.**

Viability Statement

Review of planning process and outlook and assessing the Principal Risks to our business model and potential financial impact of an event occurring, protecting the equity value of our business for the benefit of all our stakeholders.

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 and management strategies in place, as described on pages 84 to 94.

TIME HORIZONS

The Board has reviewed the long-term prospects of the business, which remain aligned with Ferrexpo's life-of-mine assumptions. For the purposes of assessing the Group's viability, the Board has elected to look at the Ferrexpo business on a five-year time horizon. The Group has historically reviewed the viability of its business model over a five year time period given the long life nature of 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, the Board has also elected to focus on a shorter-term 12-to-18-month horizon due to the ongoing war and material uncertainties resulting from operating in Ukraine.

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 operating. Since the full-scale Russian invasion on 24 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 a reduced capacity.

Existing and emerging risks associated with the war are reported to the Executive Committee. 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, access to logistics routes to export finished products and the supply of key consumables. For more information, please see the Principal Risks section on pages 84 to 94.

FACTORS ASSOCIATED WITH OPERATING IN UKRAINE

The Group is also exposed to other risks associated with operating in Ukraine which may be 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 85 to 87.

As disclosed in Note 30 Commitments: contingencies and legal disputes to the Consolidated Financial Statements, several circumstances facing the Group have led to an escalation of certain risks, including risks relating to the political environment and the independence of the Ukrainian legal system, which could have a materially negative impact on the Group's business activities, reputation and viability.

Legal proceedings are ongoing in Ukrainian courts. The highest risk cases include: 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 three mining entities; a claim on FPM to recover UAH4.7 billion (US$113 million) for contested sureties; and litigation regarding share freezes in all Ukrainian subsidiaries related to the investigation in connection with Bank F&C.

An escalation in activities against the Group has been noted after the reporting period, including a new civil claim and media announcements by Ukrainian state authorities concerning nationalisation of assets and certain corporate rights in FPM.

FACTORS ASSOCIATED WITH CLIMATE CHANGE

The Group has considered a range of physical and transition risks, as outlined on pages 74 to 79 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, however, due to a prolonged war there is no certainty that this can be fully achieved. This means that the Board will need to consider its carbon emissions targets and has sought to address this for now through the scenario analysis presented in the 2024 Climate Change Report.

BUSINESS PLANNING PROCESS

Due to the ongoing war in Ukraine, the Group has temporarily revised its business activities and investment plans to generate cash needed to employ its workforce, preserve the integrity of its assets and sustain its business. As a result, investments are currently focused on affordable sustaining capital expenditure and modernisation of existing equipment and other development projects that add production flexibility and immediate returns.

Prior to the full-scale invasion, to maintain a clear strategic direction (see page 14), the Group's management team regularly assessed the risks faced by the Group against the ability of the Group to conduct business in accordance with its business model (see page 10). This review is conducted regularly to maintain a clear understanding of the risks faced by the business and how these factors influence the business. Throughout the war, the Group's management team has also focused on constantly assessing the risks that may directly, or indirectly, impair the Group's ability to manage business.

MODELLING PROCESS

As a normal course of business, the Group operates a detailed business financial model. The model considers potential impacts due to the war, 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. At the current time, the Group's production is aligned to logistics access and working capital availability to maintain a solid net cash position. As it is likely that the Group's subsidiaries in Ukraine will not receive VAT refunds until the sanctions against Mr Zhevago are lifted, the Group has adjusted its long-term model to reflect the lower expected cash flow generation caused by the potential absence of VAT refunds in Ukraine to minimise the impact on the available cash balance throughout the period of the going concern assessment. The updated base case assumes a pellet production volume of approximately 36% of the pre-war level for the financial year 2025, before an increase to approximately 47% in 2026 and an expected recovery to almost the pre-war levels in 2027. The update of the long-term model resulted in a delay of the expected ramp-up to almost the pre-war level by one year, which was expected to be 2026 in the previous model, and a significantly lower cash flow generation, affecting also the available cash balances throughout the period of the going concern assessment.

In addition to logistical impacts, the Group's management team also assessed risks associated with the potential disruption and availability of key consumables, such as natural gas, electricity and diesel fuel, in addition to critical equipment supplies. The Group 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.

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 related to Mr Zhevago (see Ukraine country risks on pages 85 to 87). Ferrexpo's business model also faces risks relating to the iron ore prices, pellet premiums and cost inflation in Ukraine, which are all factors that impact Group's profitability.

As highlighted, contingent on the war ending, the Group is currently expected to resume full capacity by 2027. A summary of the impacts of operating during a time of war are provided on pages 6 and 7.

The Group's long-term financial model is adjusted to reflect below full capacity production. Future sales volumes will depend on the availability of power and ability to expand seaborne sales.

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$11.0 per tonne in 2024 and US$6.0 per tonne in 2025.
- A general 10% increase in the cost of production would decrease the Group's Underlying EBITDA by US$6.1 per tonne in 2024 and US$3.4 per tonne in 2025.
- A 10% decrease in production volumes and associated 5% increase in production costs, would decrease Underlying EBITDA by US$7.6 per tonne in 2024 and US$4.1 per tonne in 2025.

Sensitivities beyond 2025 will depend on production and sales volumes and costs, realised prices and other unknown macro-economic 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. However, these scenarios are considered less likely due to a natural hedge between the price of iron ore and key consumables, as well as the experience of a prolonged period of lower production and sales volumes from December 2022 to February 2023. Considering the tight balances of available cash under the base case and realised price sensitivity, the available cash balance is expected to be depleted earlier than in late 2025, when combining the 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.

Following a negative decision from the court of appeal in respect of a contested sureties claim received, the Group recognised a full provision in the amount of UAH4,727 million (US$112 million as at 31 December 2024) for this claim. This case is currently being heard by the Supreme Court of Ukraine. A negative decision would have a significant impact on the Group's future cash flow generation, available liquidity and viability. See also Note 2 Basis of preparation and Note 30 Commitments, contingencies and legal disputes to the Consolidated Financial Statements for further details.

In addition to stress testing associated with the war in Ukraine, the additional stress test scenarios performed include the following:

- operational incidents that could have affect production volumes;
- a deterioration in the Group's long-term cost position on the industry cost curve; and
- operating constraints due to Ukrainian country risk

Specific risk management and mitigations relating to the war are detailed on page 85. More generally, risk management and mitigations may include (but not limited to): a reduction or cancellation of discretionary expenditure such as dividends, 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.

The Directors take comfort in both the Group's historical cash generation ability, particularly in 2015 and 2016 at a time when the iron ore price traded at historically low prices, and the Group's ability to repay its debt facilities, with the early repayment of the Group's principal debt facility in June 2021.

This ability to repay debt facilities is derived from the operational flexibility of the Group and a level of cash generation, as demonstrated through continued shipment of Group's products in 2022 despite the war in Ukraine.

As a result of the Group's flexibility and resilience, the Group's net cash position remained relatively stable at US$101 million as at 31 December 2024 compared to US$108 as at 31 December 2023. As at the date of the approval of the Group's 2024 Consolidated Financial Statements, the Group is in a net cash position of approximately US$41 million and has an available cash balance of approximately US$45 million. 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:

- the continued ability to operate in Ukraine;
- the ability to adapt the Group's production facilities to changing circumstances;
- stable supply of electricity, key consumables and equipment; and
- access to logistics networks and alternative transport methods.

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 an adverse legal system in Ukraine have also increased in 2024 and early 2025 representing material uncertainties for the Group and its ability to continue as a going concern. Detailed information on the ongoing legal are provided in Note 30 Commitments, contingencies and legal disputes to the Consolidated Financial Statements and Note 35 Events after the reporting period in respect of material judgements made relating to specific events.

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, a material uncertainty still remains that may cast significant doubt about the Group to continue as a going concern in respect of the ongoing war and legal disputes in Ukraine as some of the uncertainties are outside of the Group management's control. An unfavourable outcome in a contested sureties claim and a longer than expected absence of VAT refunds in Ukraine might have an adverse impact on the Group's cash flow generation, profitability and liquidity.

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 18 March and signed on behalf of the Board by:

Lucio Genovese
Executive Chair

18 March 2025

Corporate Governance

A strong core helps guide us

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."

Lucio Genevese
Interim Executive Chair

DEAR SHAREHOLDER

On behalf of the Board, I am pleased to present the Corporate Governance Report for the year ended 31 December 2024.

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 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 three years, and so before reflecting on the commercial progress made during 2024, 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. As you would expect, the Board met regularly to discuss the war in Ukraine, receiving regular updates from the management team as to the Group's response and scenario planning for different eventualities that could affect the business. Protecting the Group's workforce is 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 2025, 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 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.

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 complied with the principles 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' on-boarding 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. In this year's report we have also provided a case study on the Board's nominated representative for workforce engagement, Vitalii Lisovenko, and his annual visit to our operations. 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 56 to 61 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 humanitarian and CSR activities supporting our workforce, communities and broader 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. In addition, the Board authorised donations to critical national tragedies during the year, including a UAH10 million (approximately US$230,000) donation to Ohmatdyt Children's Hospital following Russian missile strikes (see the Responsible Business section of the Strategic Report on pages 44-55).

All donations were made within a Board-approved framework agreed annually at the time of setting the budget. All such community support and donations are subject to internal control and approval limits applicable within the individual subsidiaries of the Group, which are set by the Board.

The Board exercises control of the Ferrexpo Humanitarian Fund and local charitable spending via its Health, Safety, Environment and Community ("HSEC") Committee, which oversees and directs these activities and receives reports detailing the spend.

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.

During the reporting year, there was the following Board committee change:

- On 1 January 2024, Stuart Brown was appointed as Chair of the Audit Committee.
- On 9 February 2024, Stuart Brown was appointed as a member of the Committee of Independent Directors.

Since the end of the reporting year, there were 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 a member of the Audit Committee and as a member and Chair of the HSEC Committee.

Throughout the year, the Board continued to search for an Independent Non-executive Director from an ethnic minority group, led by the Nominations Committee and supported by external consultants. Following Natalie Polischuk's departure, recruitment has been prioritised to find a suitable replacement. This search is at an advanced stage and it is anticipated that an appointment of an Independent Non-executive Director will be made in the near future.

Following Ms. Polischuk's departure from the Board in January 2025, the Board's gender diversity fell further below the 40% target set by the FTSE Women Leaders Review. While the Board remains committed to achieving this benchmark, its immediate priority is ensuring it has the right mix of skills, particularly sector expertise and geopolitical experience, crucial for navigating the ongoing crisis in Ukraine. The Board expects that its current search for a new Non-executive Director will help it restore gender balance on the Board but, while recognising the Parker Review deadline of 31 December 2024 for FTSE 250 companies, it has decided to defer the appointment of a director from an ethnic minority group until the situation in Ukraine stabilises. Nonetheless, the Board remains fully committed to broadening its composition and will continue to focus on both gender and ethnic diversity targets for UK-listed boards as part of the Board's refreshment programme.

BOARD PERFORMANCE REVIEW

In line with the UK Corporate Governance Code, Board performance was assessed internally both in 2023 and 2022. Therefore, during the year, an externally 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 evaluation can be found on pages 114 to 116. An internal Board performance evaluation will take place in 2025.

KEY HIGHLIGHTS IN 2024 AND EARLY 2025:

- supporting our workforce and the Group's operations throughout the war in Ukraine;
- health and safety and employee wellbeing;
- zero fatalities;
- continued with the search for a Director to meet diversity and ethnicity targets;
- appointment of Audit Committee Chair;
- 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; and
- focus on shareholder and key stakeholder engagement.

KEY PRIORITIES FOR 2025:

- supporting our workforce and the Group's operations throughout the war in Ukraine;
- health and safety and employee wellbeing;
- 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.

I hope you find this report useful and informative. I look forward to engaging with as many of you as possible at our 2025 Annual General Meeting in person and would like to encourage you to vote your shares even if you cannot attend in person, so that we gain a better understanding of the views of our shareholders as a whole.

Lucio Genovese
Interim Executive Chair
18 March 2025

Our governance **at a glance**

SHAREHOLDERS

BOARD

AUDIT COMMITTEE

Responsibilities include:

- Monitoring integrity of financial statements.
- Reviewing internal control and risk management systems.
- Relationship with external auditor.

Read more
Pages 118 to 125

REMUNERATION COMMITTEE

Responsibilities include:

- Reviewing and approving all aspects of remuneration for Executive Directors and members of the Executive Committee.
- Aligning remuneration policy and practices to support strategy.
- Engaging with shareholders to receive feedback on remuneration policy and outcomes.

Read more
Pages 130 to 151

NOMINATIONS COMMITTEE

Responsibilities include:

- Considering and approving the knowledge, skills and experience mix required for the Board to best deliver the Company's objectives.
- Identifying and nominating (for Board approval) candidates to fill Board vacancies, having due regard to the need to satisfy the Board's skills requirements.

Read more
Pages 126 to 129

COMMITTEE OF INDEPENDENT DIRECTORS ("CID")

Responsibilities include:

- Ensuring compliance with related party transaction rules and the Relationship Agreement.
- Authorising (if appropriate) related party transactions on behalf of the Board.
- Conflicts of interest procedure under the Companies Act 2006.

Read more
Page 110

HEALTH, SAFETY, ENVIRONMENT AND COMMUNITY ("HSEC") COMMITTEE

Responsibilities include:

- Formulating and monitoring the implementation of the Group's policy on issues relating to health and safety, environment and community as they affect operations.
- Specific focus on safety and climate change impacts.

Read more
Page 45

EXECUTIVE CHAIR AND EXECUTIVE COMMITTEE[1]

Responsibilities include:

- Execution of Board-approved strategies.
- Delegated authority levels for senior management.
- Development and implementation of Group policies.
- All material matters not reserved for the entire Board.

Read more
Page 110

1. The Finance, Risk Management and Compliance Committee, Investment Committee and the Executive Related Party Matters Committee all report to the Executive Committee.

BOARD DIVERSITY, TENURE AND BALANCE

Board balance

Independent	4
Non-independent	0
Executive Chair	1
Executive	1

Gender

Female	2
Male	4

Age

40-49	1
50-59	2
60+	3

Ethinicty

White	6
Mixed/Multiple Ethnic Group	0

Tenure

0-5 years	3
5-9 years	2
9+ years	1

BOARD SKILLS MATRIX

Expertise	% of Board members
Mining, Global Resource Industry	**67%**
Business leadership and strategy	**75%**
Corporate governance	**67%**
ESG/Sustainability	**63%**
Financial, Audit & Risk	**92%**
CIS geographical experience	**88%**
Government and international relations	**67%**
HSEC	**71%**
Human capital management/Remuneration	**83%**
Investor relations management	**83%**
Risk management	**96%**

A board with **expertise**

Raffaele (Lucio) Genevese
Interim Executive Chair

Date of appointment
1 July 2023 as Acting 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

C

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 Dowlais Group plc since April 2023; Non-executive director of Costain Group Plc since April 2022; non-executive director of Chemring Group plc since 2020 and appointed Senior Independent Director on 1 February 2025

Previous appointments
Previously, she was 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 and Rockhopper.

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

C C

On 13 January 2025, Fiona was appointed as Chair of the HSEC Committee on an interim basis and as a member of the Audit Committee.

Gender breakdown

As at 31st of December 2024

- Female 33%
- Male 67%

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
- **C** Committee Chair

Stuart Brown

Independent Non-executive Director

Date of appointment
22 October 2023

Current external appointments
He has served as Non-executive Chair of Lucapa Diamond Company Limited since 2024.

Previous appointments
Previously, he was 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

C

Stuart was appointed Chair of Audit Committee and a member of the Remuneration Committee in January 2024. He was appointed a member of the Committee of Independent Directors in February 2024.

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, having previously served as an executive counsellor to the Minister of Finance. He also serves as a non-executive director of the Supervisory Board of National Depositary of Ukraine since 2014.

Previous appointments
Previously, he was 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 contributes 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 brings extensive experience in the field of Ukrainian government finance together with a deep understanding of geopolitical developments in Ukraine, which is valuable to the Group.

Committee membership

C

Non-executive Director designate for workforce engagement.

Previous Director

Natalie Polischuk

Independent Non-executive Director

Date of appointment
29 December 2021

Date of resignation
13 January 2025

Current external appointments
She has served as non-executive director of Dobrobut (Ukraine) since 2018.

Previous appointments
Previously, she was non-executive director and treasurer of Lycée Français Anne de Kyiv, 2014–2020.

Skills, expertise and contribution
Natalie brought over 25 years of private equity experience in Eastern Europe, having held a number of senior roles at private equity funds in the region and having acted as an independent advisor on a number of M&A and due diligence projects in Ukraine.

Committee membership

Until her resignation on 11 January 2025, Natalie was the Chair of the HSEC Committee and a member of the Audit Committee and the Committee of Independent Directors

An experienced and focused **Management Team**

Raffaele (Lucio) Genevese
Interim Executive Chair

For more information see page 102 for details.

Nikolay Kladiev
Executive Director, Chief Financial Officer

For more information see page 102 for details.

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.

Corporate Governance Compliance

As a company listed on the London Stock Exchange, the Company is subject to the 2018 Corporate Governance Code. This section explains how we applied the principles of the 2018 Corporate Governance Code. A copy of the Corporate Governance Code can be found at frc.org.uk.

STATEMENT OF COMPLIANCE (IN ACCORDANCE WITH LISTING RULE 6.6.6R(6))

The Board considers the Company has complied throughout the year ended 31 December 2024 with all the provisions of the 2018 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 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 2024. The Corporate Governance Code is not a rigid set of rules, and consists of principles and provisions. The Company complied with all the principles and detailed provisions of the Corporate Governance Code in 2024 except for Provisions 9 and 19. Provision 9 recommends that the Chair be independent on appointment and the role of the Chair and Chief Executive should not be undertaken by the same person. Provision 19 recommends that the Chair should not remain in post beyond nine years from the date of first appointment to the Board.

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 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, 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. To provide continuity of his sound leadership, the Board requests your support to re-elect Mr Genovese at the 2025 AGM.

Further details on the composition of the Board and its Committees are set out on page 108 and further details of the role of the Senior Independent Director are set out on page 110.

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:	Executive Chair's Statement page 2, Stakeholder Engagement – Section 172 Statement pages 56 to 61, Skills Matrix page 101
	Principle B:	Executive Chair's Statement page 2, Our Business Model pages 10 to 11, Understanding our Strategic Direction pages 14 to 15, Stakeholder Engagement – Section 172 Statement pages 56 to 61
	Principle C:	Key Performance Indicators pages 16 to 19, Risk Management pages 81 to 83, Principal risks pages 84 to 94, Internal Controls page 124
	Principle D:	Executive Chair's Review page 2, Our Stakeholders page 56, Responsible Business: Safety and our People page 46, Operating during a time of war: Local communities page 7, Responsible Business: Governance pages 54 to 55, Stakeholder Engagement – Section 172 pages 56 to 61
	Principle E:	Non-Financial Information Statement page 55, Our engagement activities in 2024 page 57, Stakeholder and workforce engagement page 112, Whistleblowing Policy page 125
Division of responsibilities	Principle F:	Executive Chair's Introduction page 2, Statement of Compliance page 105, Role Descriptions page 110, Board Leadership pages 111 to 113, Board Evaluation pages 114 to 116
	Principle G:	Group Structure page 100, Board of Directors pages 102 to 103, Role Descriptions page 110
	Principle H:	Corporate Governance At a Glance page 100, Board of Directors pages 102 to 103, Time Commitment page 109, Role Descriptions page 110
	Principle I:	Skills Matrix page 101, Time commitment and Non-executive Director external appointments during 2024 page 109, Board Leadership pages 111 to 113
Composition, succession, evaluation	Principle J:	Diversity page 101, Nominations Committee Report page 126
	Principle K:	Board Diversity, tenure and balance page 101, Board Composition page 108, Skills Matrix page 101, Succession Planning and Recruitment page 127
	Principle L:	Board Evaluation pages 114 to 116
Audit, risk, internal control	Principle M:	External Audit page 125, Internal Audit page 124
	Principle N:	Audit Committee Report pages 118 to 125, Responsibility statement of the Directors in respect of the Annual Reports and Accounts page 159
	Principle O:	Risk Management pages 81 to 83, Principal Risks pages 84 to 94, Internal Control and Risk Management page 124
Remuneration	Principle P:	Remuneration policy pages 130 to 151
	Principle Q:	Our approach to remuneration page 130, Performance and Reward pages 130 to 133, Implementation of the remuneration policy in 2024 page 131
	Principle R:	Remuneration Report pages 130 to 151

DISCLOSURE GUIDANCE AND TRANSPARENCY RULES

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 2024 in accordance with the UK Listing Rules disclosure requirements, and our progress in meeting the UK Listing Rules board diversity targets.

There were no director changes during the year and as at 31 December 2024, women represented 33% of the Board see page 99 and accordingly the target of 40% females on the Board has not been met. Fiona MacAulay is the Senior Independent Director, see page 102 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 and during the year, actively continued the search for a further Independent Non-executive Director from an ethnic minority background, led by the Nominations Committee and supported by external consultants, see page 127.

The gender diversity of the Board and executive management as at 31 December 2024:

	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	66.6%	2	5	83%
Women	2	33.3%	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 2024:

	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)	6	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 LR 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:
  - i. self-reported gender identity – selection from (a) male, (b) female, (c) other category/please specify and (d) not specified/prefer not to say; and
  - ii. 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.

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 Kostyantin 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 100 to ensure compliance with the Companies Act 2006, FCA 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 Executive Chair and Executive Committee to manage the day-to-day running of the Group.

BOARD COMPOSITION AND INDEPENDENCE

As at 31 December 2024, the Board comprised two Executive Directors and four 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 2024 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	•	•	•	••	
N Polischuk	Independent Non-executive Director	•			•	••
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 102 and 103.

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 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 have given this confirmation in respect of 2024.

All of the Non-executive Directors have been 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 2024 is shown in the table below.

NON-EXECUTIVE DIRECTOR EXTERNAL APPOINTMENTS DURING 2024

During 2024, Stuart Brown was appointed as a Non-executive Chairman of Lucapa Diamond Company Limited, a company listed on the Australian Stock Exchange, with effect from 8 April 2024. This appointment was considered a significant appointment for Mr Brown for the purposes of the UK Corporate Governance Code, and, in advance of the appointment, Mr Brown 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 Brown, the time commitment expected in the role as a Ferrexpo 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. The Board was satisfied having regard to these matters that the additional role would not adversely impact the ability of Mr Brown to perform his existing role on the Ferrexpo Board and its Committees.

BOARD AND COMMITTEE MEETING ATTENDANCE IN 2024

	Attended/Eligible to attend						
	Board		Audit	Remuneration	Nominations	CID	HSEC[4]
Director	Scheduled	Ad hoc	Scheduled	Scheduled	Scheduled	Scheduled	Scheduled
R L Genovese	5/5	3/3			4/4		
N Kladiev	5/5	3/3					
V Lisovenko	5/5	3/3	4/5	5/5	4/4	5/5	
F MacAulay	5/5	3/3		5/5	4/4	5/5	
N Polischuk	5/5	3/3	5/5			5/5	4/4
S Brown[1]	5/5	3/3	5/5	5/5		4/4	

1. Mr Brown was appointed as Chair of the Audit Committee and a member of the Remuneration Committee with effect from 1 January 2024. Mr Brown was also appointed as a member of the Committee of Independent Directors on 9 February 2024.

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 and other developments in Ukraine involving or impacting the Group.

ROLE DESCRIPTIONS

A summary of the roles of the Chair, the CEO, the 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 45, and the role of the Remuneration Committee in the Remuneration Report on page 130.

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 102. Due to the complexity of the jurisdictions in which the Group operates and in light of Russia's current invasion of Ukraine, the time commitment of the role significantly increased during the reporting period especially with the need to engage proactively with the broad range of stakeholders.
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.
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 130); and monitor executive succession planning (for Board succession planning, see the Nominations Committee Report on page 126). 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 three 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 Fevamotinico 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

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 is a key priority, as it taking steps to protect the business and thereby the stakeholders of the business. This will remain a key priority for the Board during 2025.

BOARD ACTIVITY IN 2024

Five scheduled Board meetings were held in 2024 (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 2025.

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 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 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 2024 on the going concern assessment given the situation in Ukraine. The 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

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. The Board also continued the Ferrexpo Humanitarian Fund to support communities across Ukraine. For further details see pages 6 to 9.

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$113 million as at 31 December 2024) regarding contested sureties, an application to open bankruptcy proceedings ("creditor protection proceedings") against the Group's major subsidiary in Ukraine filed by a supplier and a related party of the Group, a freeze ("arrest") being placed on certain shares in all of the Company's Ukrainian subsidiaries, and further bail payments having to be made by the Group in connection with the arrest of senior management personnel.

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 with listed on the London Stock Exchange the Company is required to, and does, operate independently of all its shareholders.

Board Leadership (continued)

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 February 2024, the final Double Materiality and DR Pellet Life Cycle assessments (prepared with Ricardo) were presented to and approved by the Board, as published.

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.

This publication marked an important milestone in Ferrexpo's decarbonisation plans and enhancing stakeholder understanding of climate-related issues. Similarly, the continued work on climate scenario modelling and decarbonisation initiatives, as explained in the report, underscores the Group's commitment to sustainable development and addressing the scourge of climate change, even in a time of war. Due to the many uncertainties, we recognised the importance of flexibility in our Net Zero roadmap to account for external events that affect our ability to operate and invest effectively. To incorporate this adaptability, we collaborated with our sustainability partner, Ricardo, to assess Ferrexpo's pathway to Net Zero under three potential scenarios.

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 64 to 80 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.

As at 31 December 2024, the Group had a positive net cash position of US$101 million (2023: US$108 million). The Group has no debt facilities as at 31 December 2024.

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, 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 56 to 61 provides a review of stakeholder engagement activities during the year and explains how the Board considers stakeholders in decision making.

In September 2024, over three days, Mr Lisovenko, Non-executive Director Designate for workforce engagement, visited our operations in Ukraine and hosted a number of engagement sessions with a cross section representing a range of stakeholder groups within our workforce, including operations personnel, a selection of middle managers from all three business units, senior female leaders, alumni of our "Fe_munity" women in leadership programmes and people with disabilities.

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 2024, the Board considered the comments, concerns, suggestions and questions and will provide feedback to the workforce via established communication channels. For example, members of the workforce raised cost of living and salaries. Further details see page 58 Employees and wider workforce, Section 172 Statement and a case study on pages 62 and 63.

The Group also engages with its workforce through the biennial employee engagement survey, which was last conducted in 2021. Due the war in Ukraine, the survey unfortunately could not be carried out in 2023 due to variable staffing of operations imposed by constraints brought about by the ongoing war, where approximately one third of all employees who manually complete the survey using tablets were on furlough. However, towards the end of 2024, an Employee Engagement Survey was undertaken. The response rate of 62% exceeded previous surveys and represented a good cross-section of business demographics. The Group's overall engagement score of 73% ranked well above the industry average according to the third party that managed the survey. It was pleasing to learn from the survey that, despite the very difficult conditions, our people are enduring, they are committed to the business.

Additionally, the Group has employed other ways of listening to the workforce, through the Company's intranet site and eliciting employee feedback via the Rakuten Viber social media app. These workforce listening channels are an integral aspect of understanding the priorities and concerns of our people, and help to set priorities for the coming period. The Board considers the results of the employee listening programme and discusses feedback with the Executive Chair and the Chief Human Resources Officer, including plans for further engagement by functional heads with their teams to better understand the feedback and to develop joint action points focusing on areas of strength and areas for improvement.

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 focused on improving and rebalancing Independent Non-executive Director Board and Board Committee roles.

To that end:

- Stuart Brown was appointed as Chair of the Audit Committee and a member of the Remuneration Committee with effect from 1 January 2024.
- Stuart Brown was appointed as a member of the Committee of Independent Directors on 9 February 2024.

For further details see pages 126 to 129 of the Nominations Committee Report.

GOVERNANCE AND RISK

Following on from the governance improvement work carried out in 2020, during the year the Board carried out a review of the Articles of Association which were approved by shareholders at the 2024 Annual General Meeting.

At each of its scheduled meetings, the Board considered any updates to the principal and emerging risks of the Group, and in particular during 2024 considered the new risks facing the Group as a result of the ongoing Russian invasion and also changes to country-related risks. For further details, see pages 84 to 94 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.

MODERN SLAVERY ACT STATEMENT

During the year, the Board reviewed and approved the Group's Modern Slavery Act Statement for the year ended 31 December 2023 (a copy of which is available at www.ferrexpo.com).

EXECUTIVE APPOINTMENTS AND SUCCESSION PLANNING

There were no executive appointments during the year.

For further details see page 126 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;
- 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 or annual results, going concern and viability, dividend policy and considerations, investor presentation;
- geopolitical matters;
- external evaluation of the performance of the Board, Executive Chair, Directors and Company Secretary;
- review of the AGM 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 2023 Modern Slavery Statement; and
- the CSR budget.

During 2024, 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 2023 and noted the achievements and completion of 15 out of 17 actions during the year.

The executive management were provided with three scenarios upon which to base their strategy reports:

Scenario 1, update on expected results for the remainder of 2024;

Scenario 2, planning for an extended war; and

Scenario 3, planning post war to ramp up production.

The Board received presentations from executive management covering each of the above scenarios and on the following:

- expected results for 2024 together with a review of HSE metrics and measures for 2025;
- scenario planning for extended war and post-war preparation for operations (Plant and Mining) and group functions (Finance, Marketing and Human Relations);
- Marketing scenario planning for growth markets and alternative logistics;
- detailed review of ongoing group projects;
- Finance – working capital and cash requirements for each scenario;
- Human resources – actions to support each scenario;
- ESG – Decarbonisation projects and Green Mining Electrification project update, Climate Change Report and regulatory requirements for 2025 and action plan; and
- Investor Relations – market engagement plans for 2025 given in context of extended war and post war scenario.

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 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 9, 13 and 14 at the 2024 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 2024 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. Our largest shareholders have supported the re-election of Mr Lisovenko, appreciating the importance of his role on the Board.

The votes against resolutions 13 and 14 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 since the AGM continued to engage with its largest shareholder in the ordinary course on a range of issues and will consult with the largest shareholder ahead of the 2025 AGM as to its position on the share allotment and disapplication of pre-emption rights resolutions.

Board Evaluation

BOARD PERFORMANCE EVALUATION

Under the UK Corporate Governance Code, the Board is required to undertake annually a formal and rigorous evaluation of its own performance and that of its Committees and individual Directors. This evaluation should be externally facilitated every three years.

ACTIONS FROM THE REVIEW OF 2023 INTERNAL BOARD PERFORMANCE

The Board and its Committees consider their effectiveness regularly and the outcome and findings from the 2023 internal review were progressed throughout the year with the following actions taken:

Board evaluation cycle

2022	Internal
2023	Internal
2024	External

Action to be taken	Actions taken
Board composition **Improve Board diversity with a Director from an ethnic minority background**	During the year, the Board, with support from the Nominations Committee, continued its search for a Director from an ethnic minority background. While the Board remains committed to achieving the requirements of the Parker review, it has decided to defer the appointment of a minority ethnic director until the situation in Ukraine stabilises. During the year, female representation on the Board remained at 33%. Following Natalie Polischuk's departure, recruitment has been prioritised to find a suitable replacement. This search is at an advanced stage and it is anticipated that an appointment of an independent Non-executive Director will be made in the near future.
Succession planning **Embed sound succession planning within the business and senior management including diversity requirements**	During the year, an update of the Board's skills matrix was completed highlighting gaps to inform current and future recruitment to be progressed in 2025. A formal search launched for an additional Non-executive Director to meet the FTSE Women Leaders Review target and the requirements of the Parker Review. Initiatives in 2024 advanced women in leadership with more females promoted during the year to 22.9% (97 female managers) compared to 22.3% in 2023 (87 female managers); target for 2025 (towards target of 25% by 2030) set at 23.5% by the end of 2025. Total female representation as percentage of the workforce is currently at 32.2% (2,145 female employees) compared to 30.9% in 2023 (2,130 female employees). Board review conducted of the Group's talent pipeline and succession plans for senior business critical leadership roles, including identification of female candidates for accelerated development.
Balanced skill set **Ensure Non-executive Directors continue to bring the right skill set and to balance the workload of the Board Committees, planning early for future skills and experience for Board succession**	During the year, the Nominations Committee undertook a thorough review of the Board's skills matrix to ensure it remains aligned with the Company's evolving needs. This review plays a crucial role in guiding both the recruitment and 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 101).
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**	Following the re-format of workforce engagement from large town hall sessions into smaller, more intimate groups, Mr Lisovenko, Non-executive Director designate for workforce engagement, being resident in Ukraine, visited the workforce in September 2024 over three days and provided feedback at the scheduled Board meeting in November 2024. Members of the workforce welcomed the change in format which was reflected in their feedback about the event.
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 with the 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 and time allocation.
Corporate resourcing **Ensure bolstered resourcing for Secretariat**	Increased resourcing in Secretariat needs to be completed.
Long-term Incentive Plans **Continue to work on the LTIP measures and appropriateness**	As reported in the 2023 Annual Report, given the impact of the Russian invasion on the Company's energy usage and ability to invest in new technologies, the carbon reduction targets used in 2022 LTIP were removed for 2023.

2024 EXTERNAL BOARD PERFORMANCE REVIEW

In line with recognised best practice, an external evaluator was engaged to conduct the 2024 Board evaluation. Three different providers were reviewed prior to confirming the appointment of Clare Chalmers Ltd. They have a strong track record of conducting board evaluations for FTSE350 companies and their distinctive review approach based on providing their own evidenced observations of the Board, triangulated with those of Board Members and attendees, was one of the key considerations which informed this decision. Clare Chalmers Ltd conducted the Board evaluation in 2021 and has no other connection with the Company. Initial meetings with the interim Executive Chair and Group Company Secretary were used to agree the purpose, scope and timing of the evaluation. This facilitated the key themes for the Board performance review. The thematic evaluation focus areas included:

- Board composition, succession, training and induction, leadership, dynamics and decision-making
- Board oversight, strategy, performance, risk, people and executive succession, purpose, values and culture
- Stakeholders, employee engagement, shareholders, customers and suppliers
- Board efficiency, agendas, minutes and secretariat support
- The effectiveness of Board Committees

Information gathering, interviews and meeting observation:

PREPARATION	• Held a scoping meeting with the interim Executive Chair and Group Company Secretary 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 • Individual interviews were scheduled with the Executive Chair, Group Chief Financial Officer and Executive Director, all the Non-executive Directors, the Group Company Secretary, Group Chief Human Resources Officer, Remuneration Advisor and External Audit Partner.
FORMAL INTERVIEWS	• One-to-one interviews were conducted with the six Directors, including the interim Executive Chair, who is also the acting CEO, the Senior Independent Director and three further Independent Non-executive Directors, the Group Company Secretary, Group Chief Financial Officer, Group Chief Human Resources Officer, Remuneration Advisor and External Audit Partners.
BOARD OBSERVATION	• The field work included observations of a Board meeting, as well as meetings of the Audit Committee, Nominations Committee, the Remuneration Committee and the Health, Safety, Environment and Community Committee.
REPORTING	• Key findings and recommendations were shared with the interim Executive Chair and Group Company Secretary, and a draft report was prepared for review. • The final report was circulated to the full Board, with a presentation from Clare Chalmers Ltd at the February 2025 Board meeting to deliver the findings at which discussion were held and the outcomes and recommended actions agreed.

Board Evaluation (continued)

FEEDBACK AND REPORT FINDINGS

The Board has considered the findings of the evaluation and, overall, the review concluded that the Board is well-balanced in terms of Board dynamics. The Board is very well led by a proactive and fully engaged interim Executive Chair. The environment in the boardroom encourages appropriate challenge and debate with no single voice dominating discussions. The Board and its Committees are well chaired and run by committed independent Non-executive Directors.

The report 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. Nonetheless, good progress had been made in a number of key areas including:

- bringing in a new Independent Non-executive Director and appointing new Committee chairs and a female SID;
- developing the skills matrix by adding more categories and nuance to the scoring system;
- introducing more effective risk management practices, creating a risk register and appointing a senior executive with overall responsibility for risk; appointing an Acting Chief Marketing Officer to build relationships with managers and report to the Board on sales and marketing; and
- improvements in the quality of the information provided to Independent Non-executive Directors prior to meetings.

Beyond this, the Board 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 all 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. For the time being, the war is continuing to impose significant limitations on the Board's ability to move forward in several important areas. However, given the hope that it will come to an end in 2025, Independent Non-executive Directors and Executives should prepare to take action where they can.

The need to recruit more Independent Non-executive Directors to rebalance the Board's composition was noted, to make it more diverse in terms of gender and ethnicity. It is equally important to fill the Chief Executive Officer role. Beyond this, there is a more general requirement to add capacity to the senior management team, including by appointing a Chief Operating Officer and if possible, a Chief Sustainability Officer. There is also the potential to create more development opportunities and clearer career paths for those capable of rising to the top.

As well as strengthening the leadership of the organisation, there is a growing need to put in place a strategic plan for when hostilities cease, including identifying ways to draw in new investment; putting in place a roadmap for returning to full capacity and re-establishing commercially based decision-making when the time is right. Aside from this, there is scope to further embed risk management practices across the business and oversee the implementation of the new reporting requirements on risk set out in the recent changes to the Corporate Governance Code. One further suggestion is to review the assumptions underpinning the Risk Register in the light of the current situation, so as to introduce more nuance, rather than scoring everything as high risk.

One further area where improvements can be made relatively easily is in how the Board and senior executive team communicate with the rest of the organisation. In particular, senior leaders could look for more ways to provide feedback and encouragement to employees and celebrate successes.

In response to the main recommendations of the evaluation report, the Board has agreed that the following key areas for focus in 2025:

KEY AREAS FOR FOCUS IN 2025

Area	Actions 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. • Consider an agenda slot at the end of some Board meetings for a wash-up session focusing on what went well and what could have gone better. • Consider a lessons learned exercise for the Board as well as a deep dive.
Corporate resourcing	• Ensure bolstered resourcing for Secretariat.

Board Training and Development

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 113.

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.

Stuart Brown
Chair of the Audit Committee

Membership and meeting attendance

	Scheduled meetings	
Committee member	Eligible to attend	Attended
Stuart Brown	5	5
Vitalii Lisovenko	5	4
Natalie Polischuk	5	5

Focused on management's going concern assessment while continuing to monitor the integrity of the financial results.

DEAR SHAREHOLDER,

On behalf of the Board, I am pleased to present the Audit Committee Report for the financial year ending 31 December 2024. 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 2024 Annual Report and Accounts.

The situation for the Group during the financial year 2024 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 fragile 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 still lower capacity, the war continues 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

KEY ACTIVITIES OF THE COMMITTEE IN 2024

Key activities of the Audit Committee during 2024 are set out below.

FEBRUARY

- Considered 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 2023 audit and analysed further work required.
- Considered the draft Annual Report and Accounts for 2023.
- 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.
- Received an update on Audit Reform.
- Received an update on the FRC's Audit Committee Minimum Standard consultation.

MARCH

- 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 2023 Annual Report and Accounts.
- Reviewed the outcome of the going concern assessment and impairment test.
- Considered the going concern and viability statements.
- Discussed identified material uncertainties and assessment of mitigating actions.
- Reviewed the Audit Committee Report.
- Update on audit partner rotation handover.
- Reviewed the auditor's 2023 performance (Statutory Audit Service Order) – analysis of scores.
- Reviewed the Compliance Report, including whistleblowing cases.
- Reviewed the Group's risk matrix and register.
- Held a private meeting with the auditors.

MAY

- Received an update on 2023 audit follow up matters, including management letter points.
- Reviewed the auditor's 2023 performance (Statutory Audit Service Order), including detailed analysis of final scores.
- Reviewed 2024 audit planning, including key dates and preliminary audit plan.
- Reviewed an update on 2023 recommendations from internal audit.
- Received an update on Audit Reform.
- Discussed the progress regarding the risk assurance map
- Reviewed a Compliance Report, including whistleblowing cases.
- Reviewed the Group's risk matrix and register.
- Reviewed an update on Directors' Interests list.
- Received an update on the FRC's Audit Committee Minimum Standards.

country risk on page 86). 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 2024, 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 2024) and a claim in relation to an accused illegal mining and selling subsoil (minerals other than iron ore) in the amount of UAH157 billion (approximately US$3.8 billion as at 14 March 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. See Note 35 Events after the reporting periods for details of significant judgement to be made, also in terms of the Group's ability to continue as a going concern. Further information is also provided in Note 2 Basis of preparation and 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 2023 and 2022 year-end audits. In terms of the audits on Group level, 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 ARGA (the Audit, Reporting and Governance Authority) as successor to the Financial Reporting Council ("FRC"). Accordingly, Audit reform will remain a standing agenda item for 2025

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.

Increased TCFD disclosure requirements were also a focus for the Committee and environmental consultants Ricardo plc were involved to assist in enhancing the Group's existing climate change reporting, scenario analysis and potential pathways to Net Zero iron ore pellet production. Through this work, Ricardo plc's analysis has helped to enhance the Group's carbon reduction targets, as announced in the Group's Climate Change Report in December 2024. However, considering the current situation in Ukraine and the challenging circumstances that are both outside of our control, the Group may need to revise its 2030 CO_2 emissions targets, however, the 2050 Net Zero pathway, based on current modelling, remains in tact.

In 2024 the Group published its second Climate Change Report, which summarises our work and efforts during the financial year 2024 to deepen our understanding of climate-related risks and opportunities in relation to the Group's ongoing commitment to reduce carbon emission. This includes our efforts to decarbonise, our approach to managing climate risks and opportunities, monitoring regulatory developments, and the impact of the war on our Net Zero pathway. A Climate Change Report case study is provided in this report on pages 52 to 53.

Detailed below is further information on the role, structure and key activities of the Committee and significant judgements it has considered and assessed in 2024. I hope this additional information about the Committee and its activities is useful.

For the 2024 Annual Report and Accounts, we also engaged our auditors to perform a limited assurance on certain non-financial reporting criteria.

This engagement was in accordance with the requirements of the International Standard on Assurance Engagements ISAE (UK) 3000 Assurance Engagements and complied with the independence requirements of the FRC's Ethical Standard and the ICAEW Code of Ethics and applied the International Standard on Quality Management (UK) 1 ("ISQM (UK) 1"), issued by the Financial Reporting Council, and maintained a comprehensive system of

JULY

- Presentation and review of half-year accounts.
- Reviewed the going concern assessment and impairment test.
- Considered the going concern statement.
- Received auditor's Review Report to the Audit Committee.
- Received an update on proposed Audit Reform.
- Received an update on Cyber Security and IT Security audit with proposed actions.
- Received an update on the ESG disclosure audit.
- Reviewed the Group's risk matrix and register.
- Reviewed the Directors' Interests list.
- Reviewed a Compliance Report, including whistleblowing cases.
- Received an update on the FRC's Audit Committee Minimum Standards.

NOVEMBER

- Received an update on the regulatory reporting landscape, covering TCFD, CSRD and ESG double materiality reporting.
- Received an update on the assurance of ESG metrics in preparation for CSRD reporting.
- Received a report on the outcome of the 2023 internal audit plan.
- Received a progress update on the 2024 internal audit matters.
- Reviewed the preliminary internal audit plan for 2025.
- Considered the Group's work plan for the 2024 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.
- Received an update on proposed Audit Reform.
- Received an update on the 2024 Corporate Governance Code.
- Received an update on the FRC's Audit Committee Minimum Standards.
- Reviewed a Compliance Report, including whistleblowing cases.
- Reviewed the Directors' Interests list.
- Reviewed the Group's risk matrix and register.
- Reviewed the Audit Committee 2025 Forward Planner.

quality including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Limited assurance was conducted for the following ten reporting criteria, an increase from the three reporting criteria in the previous year:

- Scope 1 emissions on an absolute basis;
- Scope 2 emissions on an absolute basis;
- Scope 3 emissions on an absolute basis;
- LTIFR (Lost-time Injury Frequency Rate);
- total health and safety inspection in the year;
- total training hours for employees in operations in safety, technical and functional skills;
- total number of employees who have annual training and development reviews;
- total number of employees who underwent safety skills or other functional training;
- number of women as a proportion of the workforce; and
- number of female managers percentage of total managers (grade 10 and above).

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 the 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

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.
- 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 84 to 94.
- 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.
- Overseeing the Group's relations with the external auditor, including an assessment of their independence, effectiveness and objectivity.
- Overseeing completion of the Group's going concern and viability assessment and statements and the conclusions thereon.
- 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 2024, 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 1 January 2024 Stuart Brown was appointed Chair of the Committee.

As at the year end, the Committee comprised three Independent Non-executive Directors:

- Stuart Brown (Chair of the Committee);
- Vitalii Lisovenko; and
- Natalie Polischuk.

On 11 January 2025, Natalie Polischuk resigned from the Board of Ferrexpo with immediate effect and Fiona MacAulay, Senior Independent Non-executive Director, has been appointed as a member of the Audit Committee on an interim basis.

In addition to the five meetings held in 2024, the Audit Committee has met twice to date in 2025. 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 103 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. 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.

SIGNIFICANT ISSUES AND JUDGEMENTS

The significant issues and judgements considered by the Committee in respect of the 2024 Annual Report and Accounts are set out below:

Judgements/actions taken

GOING CONCERN CONSIDERATIONS

The war in Ukraine is still ongoing and the Group continued to demonstrate its resilience and flexibility from an operating perspective, although the ongoing war continues to affect its financial results. The situation in Ukraine is unpredictable and continues to require the Group to be extremely flexible, as mining operations and production have to be adapted to the prevailing conditions. Regaining access to Ukrainian Black Sea ports enabled the Group to expand its sales activities and increase its production to the highest level since the full-scale invasion of Ukraine in February 2022.

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 on a constant power supply in Ukraine, which was affected during 2024 by Russian attacks on power generation and transmission infrastructure in Ukraine, which has, together with higher than expected prices for input material, especially for electricity imported from EU countries, had an impact on the Group's cash flow generation and profitability.

The Group's net cash position decreased from US$108 million at the beginning of the year to US$ 101 million as at 31 December 2024. As at the date of the approval of these Consolidated Financial Statements, the Group is in a net cash position of approximately US$41 million with an available cash balance of approximately US$45 million. In addition to the available cash balance, the Group has an outstanding trade receivable balance of approximately US$43 million from its pellet and concentrate sales in January and February 2025, which are expected to be collected in the next months.

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 developed economy, such as an environment of political, fiscal and legal uncertainties, which require a significant portion of critical judgements to be made by the management, mainly in respect of a contested sureties claim in the amount of UAH4,727 million (US$112 million as at 31 December 2024) and a claim in the amount of UAH157 billion (approximately US$3.8 billion) in favour of the Ukrainian state related to alleged illegal mining and selling of subsoil (minerals other than iron ore). See Note 30 Commitments, contingencies and legal disputes to the Consolidated Financial Statements for further details.

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;
- 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;
- 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 a number of events after the reporting period with regard to their treatment as adjusting or non-adjusting post balance sheet events from an accounting perspective.

The Committee concurs with management's conclusion that, notwithstanding all of the available mitigating actions, a material uncertainty in respect of the ongoing war and the legal disputes, including events after the reporting period, 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 on pages 178 to 181 and the Viability Statement on pages 95 to 96 for further information.

The Group's Principal Risks section on pages 84 to 94 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.

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)

As at the date of the approval of these consolidated financial statements, the war in Ukraine is still ongoing and the duration is difficult to predict. During the financial year 2024, the Group continued to demonstrate resilience and flexibility from an operating perspective, although the ongoing war continues to affect its financial results.

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.

According to the base case of the Group's impairment test prepared for the 2024 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 intangibles assets and other non-current assets, was US$72 million below the carrying value of these assets, reflecting the impairment loss recorded in this amount as at 31 December 2024.

The Committee concurs with management' conclusion that potential impact of the personal sanctions imposed on Mr. Zhevago after the reporting period may have an impact on the Group's future cash flow generation, which would in turn negatively impact the carrying value of the Group's assets in future periods. This event is treated as a non-adjusting post balance sheet event and Note 35 Events after the reporting period to the Consolidated Financial Statements provides further information on the possible financial impact.

In addition, the Committee also concurs with management's conclusion that, due to the lack of information available at the date of approval of these consolidated financial statements, it is impossible to estimate the possible financial impact in future periods from a nationalisation of 49.5% of shares in FPM and certain of its assets, and that the event is treated as a non-adjusting post balance sheet event as further disclosed in Note 35 Events after the reporting period

The Committee is aware that the level of judgement significantly increased, 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.

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. 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 Group Annual Report and Accounts for the 2023 financial year, the Group's two major subsidiaries in Ukraine received tax audit reports on completed tax audits stating potential claims for underpayment of corporate profit taxes in Ukraine of UAH2,162 million (US$51 million as at 31 December 2024), including fines and penalties, and UAH259 million (US$6 million as at 31 December 2023), 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 substantial claims have been received.

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 2024 for the two claims received, as these claims will still have to be heard by the courts in Ukraine. However, 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.

Judgements/actions taken

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 may or may not be 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 developed economy, including an environment of political, fiscal and legal uncertainties.

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$3.8 billion as at 14 March 2025) in favour of the Ukrainian state related to alleged illegal mining and selling of subsoil (minerals other than iron ore), which was received subsequent to the year-end 2024 and is related to investigations that commenced in 2023;
- a claim in the amount of UAH4,727 million (US$112 million as at 31 December 2024) in respected of contested sureties;
- 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;
- currency control measures imposed in Ukraine;
- 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. The claims and court decision received are examples of operating a dynamic and adverse political landscape in Ukraine, which 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. The Committee concurs with management's conclusion that these events are treated as 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 additional provisions have to be recognised for other ongoing legal proceedings and disputes in the consolidated statement of financial position as at 31 December 2024.

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 on pages 178 to 181 and the Viability Statement on pages 95 to 96 for further information.

EVENTS AFTER THE REPORTING PERIOD (NOTE 35 TO THE CONSOLIDATED FINANCIAL STATEMENTS)

The following event after the reporting period are summarised below.

As announced on 5 March 2025, the SBI also 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 of FPM to Ukraine's Asset Recovery and Management Agency ("ARMA"), together with corporate rights in another 15 undisclosed legal entities. This transfer of corporate rights is in connection with on-going proceedings relating to Bank F&C. Based on independent legal advice, the only purpose for which management of property may be transferred to the ARMA is for preservation of real evidence relevant to a criminal proceeding.

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. The SBI stated that it is working with the Ministry of Justice of Ukraine to prepare the claim. As at the date of approval of these consolidated financial statements, FPM has not received a formal notification of such claim.

On 12 February 2025, the Group became aware that the National Security and Defence Council of Ukraine (the "NSDC") adopted the decision later enacted by the Presidential Decree No. 81/2025, to impose personal special economic and other restrictive measures ("sanctions") on certain individuals, including Mr. Zhevago. These sanctions imposed on Mr. Zhevago are personal in nature and have not been imposed on Ferrexpo plc, Ferrexpo AG ("FAG"), Ferrexpo Poltava Mining ("FPM") or any other member of the Ferrexpo Group.

As announced on 4 February 2025, the Group's subsidiary Ferrexpo Poltava Mining ("FPM") has received a civil claim seeking joint liability of FPM and its General Director for damages amounting to UAH157 billion (approximately US$3.8 billion as at 14 March 2025) in favour of the Ukrainian state.

The events after the reporting period had to be assessed by the management and the Committee when preparing the consolidated financial statements for the year ended 31 December 2024. The primary focus was on the impact on the Group's ability to continue as a going concern and on the Group's impairment test, but also in respect of the completeness of contingencies and legal disputes. Further information on the significant issues and judgements considered by the Committee are provided in the sections above.

See also Note 2 Basis of preparation, 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 risk 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 appropriate.

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 risk and 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, the Modern Slavery Act, the Criminal Finances Act, and the EU General Data Protection Regulation). The FRMCC also reviews financial information, management accounts, taxation, cash management, and the Group's risk matrix and register, including counterparty risk. The FRMCC met nine times in 2024.
- 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 2024 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 expenditure. The meetings resumed in September 2024 to enhance the process of investment decision and evaluation. The Committee met three times in 2024.
- 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 212 to 219), 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.

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 221 to 226), 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 212 to 219. See also the Principal Risks section of the Strategic Report on page 86.

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 2024 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. An Internal Audit plan for 2025 was approved by the Committee in November 2024.

The Internal Audit plan for 2024 was approved by the Audit Committee. The full scope audits focused on Group Compliance Audit, Group Sales Audit, Outbound Logistics Audits for FPM and FYM and Fuel Management Audits for FPM and FYM, as well as audits in respect of CSR and Donations and IT Policies. A limited scope review of Diversity, Equity and Inclusion in Ukraine. 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 LLP were appointed in July 2019 with lead audit partner Rakesh Shaunak in post since the start of the 2019/20 audit to 2023/24. The current lead audit partner is Andrew Moyser in post from the start of the 2024/25 audit.

PARTNER ROTATION

Rakesh Shunak had been lead audit partner since the start of the 2019 audit. At the end of the 2023 audit Rakesh Shunak 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 Shunak was replaced by Andrew Moyser as lead audit partner.

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. A couple of areas for improvement were noted but none impacted on the effectiveness of the audit. The outcome of the 2024 review in respect of the 2023 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 2025 AGM. The Company notes that as of the end of the financial year 2024, the Company has engaged MHA as external auditor for six 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 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 2024.

There is regular open communication between the Committee and the external auditor, and the Committee met five times during the year. The Committee meets regualry with the external auditors without any representation from management being present.

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 2024 and 2023 are shown in Note 7 Operating expenses to the Consolidated Financial Statements on page 187. For the financial 2024, non-audit services totalling US$138 thousand were performed by MHA.

The total of audit-related assurance services of US$309 thousand as at 31 December 2024 include US$132 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.

FINANCIAL REPORTING

The Board has asked the Committee to advise whether it considers the 2024 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 2024 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 95 to 96 and a statement setting out the Board's assessment of the Company as a going concern is contained in the Directors' Report on pages 156 to 158 and Note 2 Basis of preparation to the Consolidated Financial Statements on pages 178 to 181.

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
18 March 2025

Lucio Genevese
Chair of the Nominations Committee

Membership and meeting attendance

Committee member	Scheduled meetings: Eligible to attend	Attended
Lucio Genovese	4	4
Vitalii Lisovenko	4	4
Fiona MacAulay	4	4

Read the Committee's full objectives and responsibilities online:
www.ferrexpo.com/about-ferrexpo/corporate-governance/board-committees/

The Committee is chaired by Lucio Genovese. The Committee consists of three Independent Non-executive Directors and, by invitation, is also attended by the Group Chief Human Resources Officer.

DEAR SHAREHOLDER,

I am pleased to present the Nominations Committee Report for 2024 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 2024, the Committee was formally convened four times (2023: four) and considered the following:

- training and developing needs to ensure Board effectiveness;
- the composition and size of the Board, and its Committees in order to maintain a diverse Board with the appropriate mix of skills, experience, independence and knowledge;
- the criteria for Non-executive and Executive Director appointments;
- the required skills matrix for the composition of the Board;
- the current and future leadership needs of the organisation, including succession planning for Executive Directors and Group Executive Committee roles;
- the composition and diversity of the Executive Committee and direct reports to Executive Committee members;
- the engagement of executive search agencies to assist with Board appointments;
- the recommendations of the Parker Review relating to the appointment of ethnic minority directors on Boards;
- recommendations to the Board in respect of candidates for appointment as Non-executive Directors;
- recommendation that the Board support the election or re-election of each of the directors standing at the Annual General Meeting in 2024;
- actions to be taken in 2024 in support of the achievement of the Group's diversity and inclusion goals; and
- the results of the Group's annual talent review and succession plans for business-critical roles.

The Committee also agreed to undertake an external performance evaluation for the year to 31 December 2024 (for further information see the Board's Performance Evaluation on pages 114 to 116). The Company will conduct an internal performance evaluation in 2025.

On 11 January 2025, Natalie Polischuk stood down for personal reasons from the Board as an independent Non-executive Director and as Chair of the Health, Safety, Environment and Communities ("HSEC") Committee, as a member of the Audit Committee and as a member of the Committee of Independent Directors ("CID"). I would like to take this opportunity to acknowledge and thank Natalie for the contribution she made to the work of the Board and the HSEC, Audit and CID Committees while she served on them. Following Natalie Polischuk's departure, recruitment has been prioritised to find a suitable replacement. This search is at an advanced stage and it is anticipated that an appointment of an independent Non-executive Director will be made in the near future. In the interim, Ms Polischuk's workload on the Board will be undertaken by other Board members.

Following Ms. Polischuk's departure from the Board in January 2025, the Board's gender diversity fell further below the 40% target set by the FTSE Women Leaders Review. While the Board remains committed to achieving this benchmark, its immediate priority is ensuring it has the right mix of skills, particularly sector expertise and geopolitical experience, crucial for navigating the ongoing crisis in Ukraine. The Board expects that its current search for Ms. Polischuk's replacement will help it restore gender balance on the Board but, while recognising the Parker Review deadline of 31 December 2024 for FTSE 250 companies, it has decided to defer the appointment of a minority ethnic director until the situation in Ukraine stabilises. Nonetheless, the Board remains fully committed to broadening its composition and will continue to focus on meeting both gender and ethnic diversity targets for UK-listed boards as part of the Board's refreshment programme.

In 2024, the Committee conducted a comprehensive review of the Board's skills matrix to ensure it remains relevant and aligned with the Company's evolving needs in guiding both the recruitment and development of Board directors (for further details, see the Board's Skills Matrix on page 101).

Following its review, the Committee identified key areas requiring reinforcement and launched a targeted search for candidates with expertise in legal affairs and cybersecurity. Given the escalating cyber threats arising from the war in Ukraine and the complex legal landscape the Company faces, strengthening the Board in these areas is essential. Additionally, the Board recognised the need for candidates with deep sector expertise and geopolitical experience which are seen as critical attributes for steering the Company through the ongoing crisis in Ukraine. By proactively enhancing its leadership with specialised knowledge, the Board is ensuring it remains resilient, agile, and well-prepared to navigate an increasingly complex risk environment while safeguarding the Company's long-term strategic objectives. This search remains a top priority, and an appointment is expected soon.

The Group remains committed to fostering equality of opportunity across its workforce, regardless of gender, ethnicity, religion, disability, age, or sexual orientation. To support this commitment, the Group has established formal policies that promote inclusivity and equal access to career growth. In support of this commitment, the Group runs a variety of programmes designed to foster workplace diversity, equity and inclusion ("DEI") and at the same time accelerate the development of senior female managers and encourage more women to pursue careers in roles traditionally dominated by men within Ferrexpo. These initiatives not only support gender diversity within the Company but also contribute to broader societal progress by empowering women in Ukraine's workforce. Through training, mentorship, and career development programmes, Ferrexpo is actively helping to break barriers and create opportunities for women, reinforcing its role as a driver of gender equality and social change in the region.

As a result of the Group's DEI programme, the Committee was pleased to note that in 2024, progress continued to be made towards achieving gender balance across the Group. The proportion of managerial roles held by women rose from 22.3% in 2023 (87 female managers) to 22.9% in 2024 (97 female managers), with this upward trend expected to continue into 2025, despite the war in Ukraine. This trend means that the Group is on track to achieve its published target of at least 25% of managerial roles to be held by women by 2030.

The Committee was pleased to note that, despite the ongoing challenges posed by the war in Ukraine, the representation of women in the workforce continued to improve. Below the managerial level, the percentage of women increased from 30.9% in 2023 to 32.2% in 2024. Notably, while the overall number of employees declined due to the difficult circumstances, the number of female employees rose from 2,130 in 2023 to 2,145 in 2024.

This upward trend reflects the Group's unwavering commitment to fostering a more inclusive workplace, even in the face of adversity. By actively promoting opportunities for women across all levels of the organisation, the Group is not only strengthening its own workforce but also playing a vital role in advancing gender equality in Ukraine's broader labour market.

As at 31 December 2024, the Committee was 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
18 March 2025

MEMBERSHIP AND MEETINGS

The Committee is chaired by Lucio Genovese and as at 31 December 2024 its other members were Vitalii Lisovenko and Fiona MacAulay. A further review of Committee membership will be conducted in 2025.

The Committee is required by its terms of reference to meet at least once a year and met on four scheduled occasions in 2024. All meetings were held face-to-face. All Non-executive Directors have a standing invitation to attend all Committee meetings, with the consent of the Committee Chair. In practice, most Directors generally attend all meetings. Discussions at the meetings covered the responsibilities outlined earlier, with particular focus on Board skills development and Non-executive and Executive succession planning and recruitment.

SUCCESSION PLANNING AND RECRUITMENT

The Committee is responsible for overseeing the composition, structure, and size of the Board and its Committees, as well as the appointment of Directors and executive management. A key part of its mandate is ensuring robust succession planning for both the Board and other critical leadership roles, securing the talent needed to drive the organisation forward.

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 108.

In 2024, the Committee undertook a thorough review of the Board's Skills Matrix to ensure it remains aligned with the Company's evolving needs. This review plays a crucial role in guiding both the recruitment and 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 101).

Additionally, the Board received in-depth briefings on key developments in corporate governance, including updates to the UK Corporate Governance Code, ESG considerations, and other emerging governance trends. By staying informed of these critical areas, the Board remains well positioned to uphold best practices, adapt to regulatory changes, and respond proactively to shifts in the market.

In 2024, the Committee played an important role in the decision to extend 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, Jim North, stepping in to provide stability and strategic direction amid unprecedented challenges. 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, postponing the search until the war ends remains the most prudent course of action. As a result, the Committee 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 period of uncertainty. His steady guidance ensures continuity, resilience, and strategic focus, positioning the Company for long-term success once 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 replacement, recognising the urgent need to reinforce the Board's expertise in key areas. To assist with the search, the Committee engaged Stonehaven International, a leading global search firm accredited under the UK Government's Enhanced Code of Conduct for Executive Search Firms and the Voluntary Code of Conduct on diversity best practices. Stonehaven has no other connection with the Company.

Before commencing the search, the Committee carefully defined the skills and experience required for the role, emphasising the need for candidates with legal expertise and cybersecurity knowledge—two areas of growing importance given the complex legal challenges the Group is currently confronting, and heightened cyber threats arising from the war in Ukraine. Strengthening the Board's capabilities in these areas is essential to safeguarding the Company's operations and ensuring robust risk management in an increasingly volatile environment. In addition, the Committee prioritised candidates with deep sector expertise and geopolitical experience, recognising that the war in Ukraine continues to present unprecedented challenges for the Group. Navigating this crisis demands not only strong leadership but also a profound understanding of the geopolitical landscape, regulatory complexities, and sector-specific risks. A director with this specialised knowledge would be invaluable in helping the Board make informed, strategic decisions that support the Company's long-term resilience and stability.

Stonehaven compiled an initial list of potential candidates, which was reviewed by the Committee, and shortlisted candidates were then interviewed by Committee members and, where practical, other Board directors. The search remains ongoing, but an appointment is expected to be made soon, ensuring the Board continues to have the right expertise to steer the company through this challenging period.

When progressing recruitment, including drawing up shortlists for prospective Board members, the Board seeks to ensure that a broad range of diverse candidates are considered and will only engage executive search consultants who have signed up to the Voluntary Code of Conduct for executive search firms. The final decision to make appointments to the Board is, however, made on merit against objective criteria, to ensure that the strongest possible candidate for the role is appointed. However, the Committee will continue to ensure that the Diversity, Equity and Inclusion policy is considered when conducting all searches for Board positions and will take account of the recommendations of the Parker Review.

ELECTION AND RE-ELECTION

In accordance with the UK Corporate Governance Code, all Directors will stand for re-election by shareholders at the Company's AGM scheduled for May 2025. The range of skills and experience offered by the current Board is set out on pages 102 to 103. The Committee and the Board consider the performance of each of the Directors standing for re-election to be fully satisfactory, with each demonstrating commitment to their respective roles. The Board, therefore, strongly supports the re-election of all Directors and recommends that shareholders vote in favour of the relevant resolutions at the AGM.

BOARD DIVERSITY POLICY

The Board places great importance on having an inclusive and diverse Board and workforce and recognises the leadership role the Board needs to play in creating an environment in which all contributions are valued, different perspectives are embraced, and so far as possible biases are acknowledged and mitigated. In support of this goal, the Board adopted a DEI Policy in 2019 which is kept under review by the Committee. The DEI Policy aims to promote equality of opportunity across the whole organisation, regardless of gender, ethnicity, religion, disability, age or sexual orientation as well as address gender diversity imbalances in the workforce while also delivering sustainable talent pipelines for succession to senior leadership roles. The Board shares ownership the DEI Policy with the Executive Committee, and updates are presented to the Board for review every six months to assess progress against the targets and enable adjustments to be made to the programme where necessary. A summary of the Board's diversity information can be found on page 107.

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 2024 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 DEI-related initiatives in 2025.

Despite the challenges of war, 2024 saw continued momentum in 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. The Group received an external award for this programme, being voted the best social initiative for young people by Delo UA, Ukraine's leading online business news platform.

In 2024, the Group also launched the Iron Women initiative, strengthening outreach within the local community by encouraging local women to pursue careers in traditionally male-dominated roles. Ferrexpo's efforts to promote gender diversity through training, mentorship, and career development initiatives not only drive gender balance within Ferrexpo, but also contribute to broader societal progress.

Ferrexpo was proud to be recognised internationally in 2024, when Olena Neroda-Nikolaichuk, a haul truck driver at the Yeristovo mine, was honoured as one of the Top 100 Women in Mining at the prestigious awards ceremony held in London in November. This milestone marks a historic first – not only for Ferrexpo but for Ukraine as a whole, highlighting the country's growing presence in the global mining industry and the Company's dedication to advancing gender diversity.

In 2024, the Committee reviewed the talent pipeline and succession plans for key business roles, ensuring development strategies addressed critical skill gaps. Priority was given to securing succession coverage for the Group CFO, Group CMO, and Group Treasurer at the corporate level, as well as the Production Director, Capital Construction Director, and IT Director at the operational level. Acknowledging that the war poses a particular challenge to attract skills, the Committee tasked the Chief Human Resources Officer with formulating targeted succession strategies to strengthen leadership continuity in early 2025 for implementation in the latter half of the year, ensuring sustained business stability and growth.

BOARD DIVERSITY POLICY UPDATE

Board objective	Progress in 2024
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 was established 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 2025. • 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 2024 advanced women in leadership to 22.9% (97 female managers) (2023: 22.3% (87 female managers)); the target for 2025 (towards the target of 25% by 2030) was set at 23.5% by the end of 2025. • Total female representation as a percentage of the workforce is currently at 32.2% (2,145 female employees) (2023: 30.9% (2,130 female employees). • 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 2025, 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. • Establishment of two Employee Resource Groups to foster inclusion. • Continuation of the Iron Women initiative to encourage female applicants for traditionally male-dominated roles. • Fe_munity programme for potential women leaders at operations. • Selection of bursary award school leavers. • Teens Hub initiative to break down stereotypes regarding roles, provide career guidance, and address topics relevant to young people.

WORKFORCE DIVERSITY

Ferrexpo's policy is to employ a diverse workforce and thought is given to recruit as widely as possible, taking into account, amongst other things, gender, race, social background, education and disability. In 2019, the Board set a diversity target of 25% women in leadership to be achieved by 2030. Achieving this target remains a challenge in view of there being historically a very limited number of female applicants for technical jobs in the natural resources sector.

Gender diversity targets were included in the Executive Business Scorecard for the first time in 2021 to provide additional focus and attention on the achievement of this strategic imperative. A diversity target has again been included in the scorecard for 2025 of 23.5%. This target represents the appointment of an additional three women in senior leadership positions by the end of 2025.

Ferrexpo is committed to fostering an inclusive workplace, proudly employing registered disabled staff, who make up over 4% of our Ukrainian workforce. This not only reflects the diversity of the wider society but also underscores our dedication to providing equal opportunities beyond legal compliance.

Recognising the profound impact of the war, Ferrexpo runs a Veterans Support Service to assist both employees and community members who have sustained physical disabilities in service to their country. Through tailored initiatives – including workplace accommodations, rehabilitation support, and skills development – the Group is dedicated to empowering veterans as they rebuild their lives and careers. By championing accessibility and support, Ferrexpo strives to create a workforce where every individual, regardless of physical ability, can thrive.

The Corporate Governance Report was approved by the Board on 18 March 2025.

Lucio Genovese
Chair of the Nominations Committee
18 March 2025

Fiona MacAulay
Chair of the Remuneration Committee

Membership and meeting attendance

Committee member	Scheduled meetings: Eligible to attend	Scheduled meetings: Attended	Ad hoc meetings: Eligible to attend	Ad hoc meetings: Attended
Fiona MacAulay	5	5	1	1
Vitalii Lisovenko	5	5	1	1
Stuart Brown	5	5	1	1

Read the Committee's full objectives and responsibilities online: https://www.ferrexpo.com/about-ferrexpo/corporate-governance/board-committees/

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 Executive Chair of the Board, the Chief Human Resources Officer, and a representative from Korn Ferry, the Committee's independent advisor.

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 Report[1] for the year ended 31 December 2024.

This report is split into the following sections:

1. this **Statement to shareholders from the Chair of the Remuneration Committee** – summarising the 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**, setting out how we have paid Directors in 2024 and how we intend to operate the policy in 2025.

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 policy of the Board to align executive and shareholder interests by linking a substantial proportion of executive remuneration to performance, basing short-term rewards on a balanced portfolio of financial, operational, and ESG performance targets with long-term alignment with shareholders through the operation of multi-year share-based plans.

Our policy is purposefully weighted towards short-term performance targets given the Company's focus on operational excellence and the fact that Ferrexpo does not control the price of iron ore, which is dictated by market conditions. As a result, setting performance targets that align to the factors directly within the control of the executive team is considered appropriate.

In this period of war, 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 the relevant market comparables to ensure that Ferrexpo can attract, motivate and retain talented executives. We align remuneration with shareholders through the performance conditions we set, share-based pay normally delivered through partial deferral of annual bonus into shares and the operation of annual awards under a share plan and through market consistent 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 2024 EMPLOYEE REMUNERATION

The year 2024 marked the third consecutive year in which Ferrexpo operated under the challenges of war, a reality that continues to shape our business environment. Despite these adversities, our leadership's strategic adaptability and the dedication of our workforce enabled us to achieve our strongest annual production performance since the full-scale invasion of Ukraine in February 2022. This success reflects not only our ability to adjust to evolving market conditions but also our capacity to produce a diverse range of high-quality products and expand our customer base globally.

A key driver of this performance was the resumption of exports via Ukrainian Black Sea ports, allowing us to once again serve customers not only in Europe, but also in MENA and Asia. The agility embedded in our business model enabled us to respond quickly to changing logistics and market conditions, positioning Ferrexpo as a reliable supplier amid ongoing uncertainty.

1. This report has been prepared by the Remuneration Committee (the "Committee") on behalf of the Board in accordance with the requirements of the Financial Conduct Authority's Listing Rules, 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.

A major achievement of 2024 was the record production of Direct Reduction ("DR") pellets, a premium-grade product that commands higher market value and aligns with the global steel industry's decarbonisation goals. Unlike traditional blast furnace pellets, DR pellets offer superior iron content and lower impurities, making them significantly more efficient in steelmaking. Their use in direct reduction-based processes leads to lower carbon emissions, reinforcing Ferrexpo's role in the transition toward greener, more sustainable steel production. This milestone was reached despite external pressures, including lower iron ore prices and rising input costs, compounded by higher electricity tariffs due to sustained attacks on Ukraine's energy infrastructure.

At the heart of Ferrexpo's success are our people. Our near 8,500 strong workforce – from mine excavator operators to port workers – have demonstrated unwavering commitment, enduring harsh winter conditions, air raids, and power shortages to achieve outstanding production results. This collective effort, particularly during the first quarter of the year, allowed us to capitalise on the highest iron ore prices of 2024 and maximise output despite operational constraints. Our ability to optimise production efficiency while navigating these challenges reflects the resilience of our people and strategic foresight of our leaders.

Throughout 2024, Ferrexpo continued to operate under difficult and unpredictable conditions, with production levels fluctuating in response to customer demand. Despite operating on average at half capacity, the Group made a conscious decision to continue to protect jobs, recognising the unwavering dedication of our employees who continued to work under extraordinarily challenging circumstances.

To align with the variable production profile, we adjusted workforce deployment month by month, as we did in 2022 and 2023. While more than 98% of production-related personnel remained on full pay, their variable monthly earnings – linked to production output – were unfortunately impacted. Employees in roles above immediate production needs were placed on furlough, receiving two-thirds of their salary, while administrative and support staff transitioned to a shorter seven-hour workday, with pay adjusted accordingly.

Understanding the financial strain caused by the ongoing cost-of-living crisis in Ukraine, the Group took proactive measures to mitigate the impact on employee earnings. A special annual bonus was introduced for non-management employees, paid in three equal instalments in January, February, and March 2025. Additionally, the Group has budgeted for a general salary increase averaging 10% from April 2025, with adjustments based on organisational level. Annual management bonuses, tied to production performance, are also scheduled for payment in April 2025.

Ferrexpo remains deeply committed to supporting our employees, ensuring their financial well-being, and recognizing their resilience and dedication during yet another challenging year.

Tragically, the war continues to take a toll. In 2024, we mourned the loss of 10 employees who died while serving in the Ukrainian Armed Forces, bringing the total number of fallen colleagues to 45 since the full-scale invasion began. Their bravery and sacrifice will always be honoured, and Ferrexpo remains steadfast in supporting their families and communities.

With an average of 700 employees actively serving in the military, our Humanitarian Fund has provided essential aid, including food, shelter for displaced individuals, and medical assistance. Additionally, our veterans' rehabilitation programme continues to expand, offering physical and psychological support, prosthetic services, and reintegration assistance for returning employees.

As we move forward, our focus remains on optimizing production levels, strengthening our global market presence, and ensuring the long-term sustainability of our business. The resilience we have demonstrated under extraordinary circumstances is a testament to our agility today and our potential for the future. Ferrexpo continues to stand as a symbol of Ukraine's strength, determination, and ability to thrive in adversity.

It was in the above context that the Remuneration Committee operated the Remuneration Policy that was approved by shareholders at the 2024 AGM, ensuring that the Group's remuneration practices fulfilled their original intent in challenging circumstances in aligning pay and performance in an affordable way. The Committee also spent time overseeing Group-wide pay decisions in our exceptional operating circumstances.

2024 EXECUTIVE REMUNERATION

2024 ANNUAL BONUS

As detailed above, 2024 saw a marked increase in production and sales, particularly of DR pellets. However, higher input costs and lower market prices reduced margins, resulting in a lower Group cash EBITDA of US$39.9m (2023: US$63m) which fell below the annual bonus target for 2024, despite targets for production volume, total mining movement, and sales all being exceeded.

Beyond financial and operational goals, the Group achieved strong compliance with environmental plans and while our Lost Time Injury Frequency Rate ("LTIFR") at 0.54 was slightly above the five-year average of 0.52, we marked a fourth consecutive year without fatalities. Additionally, the Group's diversity ratios improved with the participation of women below managerial levels rising to 32.2% in 2024 from 30.9% in 2023. This resulted from nearly balanced hiring with 356 men and 315 women recruited in 2024, achieving an almost 50:50 hiring ratio (1.13 men per woman). However, the number of women in leadership remained below the target for 2024, highlighting an area for continued focus.

The above performance resulted in the bonus targets set in relation to production, total mining movement, sales volume and environmental plan compliance (collectively totalling 50% of the total bonus) being exceeded (at the stretch performance level) and the targets set in relation to EBITDA, LTIFR and diversity (collectively totalling the remaining 50% of the total bonus) being missed. As a result, a formulaic testing of the revised bonus structure and scorecard introduced as part of the 2024 Directors' Remuneration Policy resulted in 50% of the total bonus being earned. However, having had regard to the level of profitability achieved in 2024 and the Group-wide focus on cash conservation, the Committee used its discretion to reduce the bonus scorecard outcome by 10%. As a result, the bonus outcome was limited to 67.5% of salary (from the originally scored 75% of salary), which resulted in a bonus of 45% of the maximum being payable (from 50%). The Committee was comfortable with this outcome having had regard to the unique challenges presented by the war which materially impacted the ability to achieve against the targets originally set at the start of the year, the overall performance of the Company and the wider stakeholder experience.

Bonuses are normally paid 75% in cash and 25% in deferred shares that vest after two years. However, at the same time as determining that bonuses would be reduced in light of the circumstances created by the war, the Committee concluded that bonuses should be paid wholly in cash in relation to the 2024 bonus year for all participants. The factors that resulted in the Committee determining this was appropriate included (i) the volatility in the Company's share price arising from the ongoing war, and (ii) the discretionary reduction to the bonus driven from cash conservation as a result of the war.

Full details of the performance assessment are set out on page 145. The Executive Chair was not eligible for the 2024 Short-term Incentive Plan ("STIP").

2022 LONG-TERM INCENTIVE PLAN

With regard to the 2022 Long-term Incentive Plan ("LTIP"), vesting was based on the TSR outperformance of a tailored comparator group (75% weighting) tested over the period from 1 June 2022 to 31 May 2025, and production of 67% Fe pellets (12.5% weighting) and carbon emissions reductions (12.5% weighting), with both of these targets tested over the three-year period to 31 December 2024.

With regard to the TSR performance condition, at year end with five months of the performance period to run, there is no forecast vesting as a result of the Russian invasion of Ukraine on 24 February 2022 continuing to weigh heavily on the Company's share price. TSR performance is measured based on our relative performance against a bespoke Index of comparable Iron Ore and Composite Miners. Actual vesting will be confirmed in the 2025 Directors' Remuneration Report.

With regard to the other targets, the Committee assessed the performance of the Company over the full three-year performance period. Given the record year of production for DR pellets in 2024 (67% Fe), we achieved the target in part with production of DR pellets as a proportion of total production across 2022, 2023 and 2024 totalling 5.3%. With the targets set to require DR pellet production to be between 3% and 7%, this resulted in 66% of this part of the award vesting (8.2% of 12.5% available for this part of the award). Over the same period, our carbon emissions intensity, which takes into account emissions relative to the production delivered, reduced marginally as a result of an increase in Scope 2 emissions as the Group had to import electricity from Europe due to Russia's attacks on Ukraine's energy generating infrastructure. This resulted in performance falling below the threshold and, consequently, this part of the award will not vest.

Overall, the Remuneration Committee currently expects the 2022 LTIP award to vest at 8.2% of the maximum based on the production and carbon emissions reduction targets, with no vesting forecast under the TSR portion of the award. The Committee will have regard to the performance delivered over the performance period and the wider context, when making its final determination on the vesting of the 2022 award with 8.2% of the total award currently forecast to vest.

With remuneration outcomes aligned across the executive leadership of the Group, and after considering wider stakeholder experience through the year, and the additional achievements that were delivered outside of the bonus plan targets, the Committee was comfortable with remuneration outcomes and that the policy was operating as intended.

ADJUSTMENT TO EXECUTIVE CHAIR REMUNERATION

The Executive Chair was appointed on 1 July 2023 on a one-year contract to 30 June 2024 following Jim North, the former Chief Executive Officer ("CEO"), stepping down from his role. His salary and fees were set on appointment at a fixed amount for his role as Executive Chair at US$1,000,000, made up of his current fee of US$525,000 as Board Chair, and an additional US$475,000 on an interim basis while he serves as Executive Chair. This salary and fee was set to reflect his expected future time commitment of the role in addition to his non-participation in the Company's incentive plans which was not considered appropriate given the interim nature of his appointment.

In connection with the expiry of the Executive Chair's one year contract, the Remuneration Committee undertook a review of the scope of his role and the actual time commitment that the role involved versus the original expectations of the role.

The conclusion of the review was that the role required considerably more time than originally envisaged, often being required to work significantly more than a standard working week with the original fee having been set to reflect a part time role. As a result, to reflect the higher time commitment, his combined salary and fees were increased from 1 July 2024 to a total of US$1,350,000, made up of his pre-existing Board Chair fee of US$525,000 and an additional salary, in recognition of the extra time commitment, of US$825,000. This was agreed in connection with the renewal of his contract.

Having worked through the extra time spent during his initial one-year term, the Committee also resolved to recognise the exceptional time commitment through that period with a top-up to his total salary and fees with a further payment of USD$325,000 to take his total base salary and fees for the first year of his role as Executive Chair to USD$1,325,000. The additional fee aligned the 2023/24 fee with the fee set for 2024/25. Having rebased the base salary for the executive function with a better understanding of the time commitment of the role, there is no expectations of any future adjustments for the role beyond a cost of living related adjustment. The Committee also does not intend to introduce incentive pay to the role. Should the role revert to a more traditional Non-Executive Board Chair role, or should the time commitment of the role materially reduce, remuneration would be adjusted accordingly. The Board is committed to the appointment of a permanent CEO once the war is over.

2025 APPLICATION OF REMUNERATION POLICY

The Company's 2024 Remuneration Policy received 99% support at the 2024 AGM. The changes made to the policy included a simplification of the annual bonus structure such that there were fewer measures used for 2025, with targets continuing to be set with reference to the Company's budget each year, but with greater flexibility included for the Committee to assess performance given the dynamic external environment caused by the ongoing Russian invasion of Ukraine.

The other key change made was the introduction of restricted shares to replace performance shares in our LTIP, with this change expected to last for the duration of the Russian invasion of Ukraine, given the challenges of forward forecasting considering the operational challenges associated with the war. The move to restricted stock included a reduction to the headline quantum of awards vis-à-vis previous award levels of performance shares.

For 2025, in light of the changes to the Remuneration Policy, the key implementation highlights are as follows:

- In line with the wider corporate executives, any potential increase to the CFO's salary effective 1 January 2025 was deferred until 1 July 2025. This was in recognition of the corporate focus on effective cost management.
- The annual bonus opportunity for the CFO will remain at 150% of salary. Performance will be measured against similar simplified performance measures as per the 2024 bonus scorecard of financial, operational and ESG targets which are summarised on page 145. The performance targets set for the 2025 STIP have been agreed to reflect

KEY ACTIVITIES OF THE COMMITTEE IN 2024

The Committee's key activities during the 2024 financial year were:

FEBRUARY

- Consulting on FY 2024 Directors' Remuneration Policy with both shareholders and advisory bodies.
- Determining the preliminary 2023 bonus outturn.
- Determining vesting of the 2021 Long-term Incentive Plan awards.
- Determining the preliminary 2024 annual bonus targets.
- Reviewing changes to the UK Corporate Governance Code.

MARCH

- Finalising the 2024 Directors' Remuneration Policy having considered final investor feedback.
- Approving the 2023 annual bonus outcomes.
- Approving the 2024 annual bonus scorecard.
- Approving the application of the Remuneration Policy for 2023.
- Signing off the 2023 Remuneration Report.

MAY

- Approving 2024 restricted share awards.
- Consideration of Executive Chair remuneration.

the current operating environment. The framework continues to include targets set with reference to the Company's budget each year and the ability for the Committee 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 146.

- The Committee intends to again make bonus payments wholly in cash as opposed to a combination of cash and deferred shares as a result of the ongoing volatility in the Company's share price. A final decision on this will be taken at the time of making bonus awards in 2026.
- The Committee intends to grant the CFO a Restricted Share award with a face value of 25% of his salary, mirroring the award granted in 2024. In line with Remuneration 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 on page 148.

CONSIDERATION OF SHAREHOLDERS AND EMPLOYEES

We consulted with shareholders in late 2023 and early 2024 in relation to the renewal of the Directors' Remuneration Policy and shareholders were understanding of the rationale for the proposed changes and so were overwhelmingly supportive of the proposal as noted above. The Committee welcomes feedback provided by shareholders and considers it in full prior to taking final decisions.

The Committee also noted feedback on remuneration from the annual employee engagement survey and from feedback received by the Employee Engagement Non-executive Director, Vitalii Lisovenko, which was elicited directly from employees during a series of employee engagement sessions held with a cross section of employees covering all levels in late 2024. These sessions, like the annual employee engagement survey, tested a range of employee engagement elements including the effectiveness of remuneration and benefits policies and the understanding of the alignment between executive remuneration and wider Company pay policy.

Understandably, employees raised concerns about the impact on pay resulting from the decrease in the level and variability of production. The reasons for the current situation were explained with more frequent communication sessions planned throughout 2025, with the timing dependent on market developments.

The announcement of a general salary increase of 10% planned for April 2024 was welcomed and employees were appreciative that there had been no layoffs as has been the case at other companies in Ukraine that are operating within the same challenging business environment.

It was also noted that, while the approach to remuneration is understood and is generally considered to be working effectively, work remains ongoing to improve the alignment between remuneration with individual performance to ensure differentiated outcomes. The progress made to date will be progressed further in 2025 by the Chief Human Resources Officer ("CHRO"). The CHRO will also work with the designated Employee Engagement Non-executive Director, Vitalii Lisovenko, to further develop two-way feedback in relation to remuneration policies and practices.

I hope you are able to support the rationale for the decisions we have taken during the year and support the resolution for the approval of the Remuneration Report at the 2025 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
18 March 2025

OCTOBER

- Considering performance to date against 2024 annual bonus targets.
- Reviewing senior leadership team performance.
- Approving Executive Chair remuneration.

NOVEMBER

- Review of updated IA Principles of Remuneration.
- Discussion of preliminary 2025 annual bonus scorecard measures.
- Consideration of 2025 salary review proposals.
- Review of Remuneration Committee annual cycle.

ANTICIPATED KEY ACTIVITIES OF THE COMMITTEE IN 2025

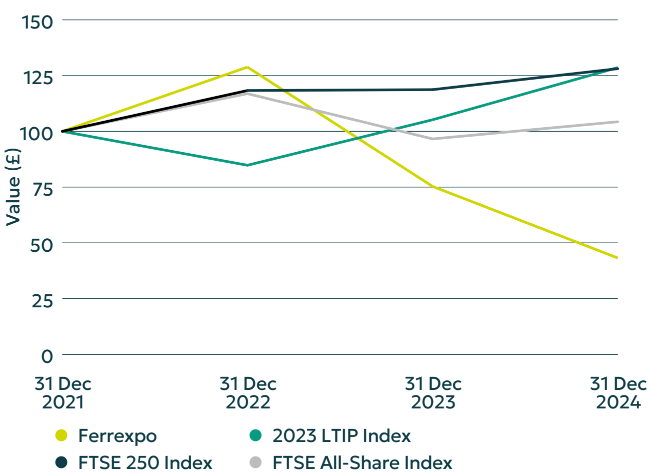
- Consider 2025 AGM feedback.
- Application of Remuneration Policy in 2025.
- Consider the evolution of performance targets in line with the implementation of the business strategy through the current challenging operating environment.
- Monitor senior management remuneration.
- Ensure remuneration decisions are taken in the context of the wider stakeholder experience through the period.

At a glance (not subject to audit)

Element	Operation	Time-horizon: 2024 / 2025 / 2026 / 2027 / 2028
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	
Pension and benefits: To provide market competitive benefits	• Aligned with pension and benefits offered to local workforce	
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 • Performance conditions based on a scorecard of financial, operational and ESG targets • Targets set to reflect the Company's 2025 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 • Safety underpin • 25% of bonus normally deferred into shares for two years	
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 • 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.	
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	200% of salary

Business scorecard (100% of bonus)

Total Shareholder Return



Part A: policy section (not subject to audit)

The Directors' Remuneration Policy was approved by 99% of shareholders at the 2024 AGM on 23rd 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/)

The Remuneration Committee is responsible for the operation of the Remuneration Policy and its terms of reference comply with the provisions of the UK Corporate Governance Code and are available for inspection on the Group's website (https://www.ferrexpo.com/about-ferrexpo/corporate-governance/governance-framework-structure/).

KEY PRINCIPLES OF THE REMUNERATION POLICY

Ferrexpo's remuneration policy is designed to help attract, motivate and retain talented executives to help drive the future growth and performance of the business. The Policy aims to:

- align executive and shareholder interests;
- link an appropriate proportion of remuneration to performance;
- reward based on a balanced portfolio of performance conditions, where appropriate (e.g. annual business priorities, financial and operational targets and individual performance); and
- provide rewards that are competitive in the relevant markets to help attract, motivate and retain talented executives.

The Remuneration Policy was set to take into account the particular business context of the Group, the industry segment, the geography of its operations, the relevant talent market for each executive, the location of the executive and remuneration in that local market and best practice guidelines set by institutional shareholder bodies. The Policy was also designed having had regard to the following factors:

- **Clarity** – the policy is well understood by our management team and has been clearly articulated to our shareholders. A key part of our Chief Human Resources Officer's role is engaging with our wider employee base on all our people matters (including remuneration) and we monitor the effectiveness of this process through the feedback received. The Board is comfortable that our remuneration policy is clearly understood by our employees.
- **Simplicity** – the Committee is very mindful of the need to avoid overly complex remuneration structures which can be misunderstood and deliver unintended outcomes. Therefore, one of the Committee's objectives is to ensure that our executive remuneration policies and practices are as simple to communicate and operate as possible, while also supporting our strategy.
- **Risk** – For Executive Directors, our remuneration policy is designed to ensure that inappropriate risk-taking is not encouraged and will not be rewarded via: (i) the use of a balanced scorecard in STIP which employs a blend of financial, operational and non-financial metrics; (ii) the use of equity via our LTIP (together with shareholding requirements); and (iii) malus/clawback provisions included in scheme documentation which the Executive Directors are required to accept to receive payments under the STIP and awards under the LTIP and which would normally be enforced by reducing the number of shares and/or cash subject to outstanding and unvested awards in the first instance. For the Executive Chair, given the interim nature of the role, our remuneration policy is designed to ensure that inappropriate risk-taking is not encouraged and will not be rewarded by making the Executive Chair ineligible to receive variable remuneration.
- **Predictability** – our incentive plans are subject to individual caps, with our share plans also subject to market standard dilution limits. The scenario charts on page 140 illustrate how the rewards potentially receivable by our executives vary based on performance delivered and share price growth.
- **Proportionality** – there is a clear link between individual awards, delivery of strategy and our long-term performance. In addition, the significant role played by incentive/at-risk pay, together with the structure of Executive Directors' service contracts, ensures that poor performance is not rewarded.
- **Alignment to culture** – Ferrexpo has a strong operational focus which is reflected in its incentives with safety at the heart of its activities and this is supported through the use of a specific safety measure in the annual bonus and the ability to reduce the formula-based outcomes based on safety performance. Similarly, incentives may also include climate-related performance targets (as primary targets or as underpins) linked to the Company's strategic climate goals.

EXECUTIVE DIRECTOR POLICY TABLE

Purpose and link to strategy	Operation	Opportunity	Performance metrics
Fixed pay **Base salary** To attract and retain talent by ensuring base salaries are competitive in the market in which the individual is employed.	Base salaries are typically reviewed annually, with reference to: the individual's role, experience and performance; business performance; salary levels for equivalent posts at relevant comparators; cost of living and inflation (taking account of the location of the executive); and the range of salary increases applying across the Group.	Base salary increases are applied in line with the outcome of reviews, which will not exceed 5% p.a. (or, if higher, the applicable inflation rate) on an annualised basis over the period over which this policy applies. Increases above this level may be applied where appropriate to reflect changes in the scale, scope and responsibility attaching to the role and market comparability (including following appointment to the Board on a on a below market base salary).	Business and, where relevant, for current Executive Directors, individual performance are considerations in setting base salary.
Pension To provide retirement benefits.	Executive Directors will, as appropriate, be offered membership of a scheme which complies with relevant legislation (where necessary, additional pension entitlements will be provided) or cash in lieu of pension. For information, pension for UK-based employees is currently set at a maximum of 5% of salary while pension for Swiss-based employees is differentiated by age and is set at up to 8% of salary. Statutory lump sums and/or end of service gratuities may be accrued each year and may be payable on termination in line with the relevant legislation where this exists.	Executive Directors will receive a pension that is aligned with the typical (i.e. most common) practice for employees in the location that the executive is based. The employer contribution will normally be limited to a percentage of base salary. Associated benefits and variable pay will only be included where there is a statutory requirement to do so. The employer contribution will be limited to 10% of salary or higher subject to compliance with local statutory requirements to reflect actual practice in the Company.	Not performance related.
Benefits Competitive in the market in which the individual is employed.	Benefits are paid to comply with local statutory requirements and as applicable to attract or retain executives of a suitable calibre. They include life insurance, personal accident, travel and medical insurance. Where appropriate, additional benefits may be offered, including, but not limited to, accommodation allowances, travel, enhanced sick pay, relocation/expatriate relocation benefits, tax and legal advice.	Benefits' values vary by role and eligibility and costs are reviewed periodically. Increases to the existing benefits will not normally exceed applicable inflation. Increases above this level may be applied, where appropriate, to reflect changes in role, scope, location and responsibility.	Not performance related.

Purpose and link to strategy	Operation	Opportunity	Performance metrics
Variable pay **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, which include, but are not limited to, developing the resource base, increasing production, reducing costs, reducing the risk profile of the business, expanding the customer portfolio, and expanding geographically.	Targets are set at the start of the year against which performance is measured. The Committee determines the extent to which these have been achieved. The Committee can exercise judgment in determining an appropriate outcome at performance levels both below and above the target level of performance for each performance measure. The Committee also has the ability to adjust bonus outcomes based on its assessment of individual contribution. Furthermore, the Committee can exercise discretion to adjust the formulaic outcome or amount of bonus payable (upwards and downwards), taking into account such factors as it determines to be relevant, including factors outside of management control or where it believes the outcome is not truly reflective of individual performance or in line with overall Company performance. Normally paid as a mixture of cash and deferred shares with the cash portion paid following the publication of the audited results. The deferred share portion will normally be a minimum of 25% of the total bonus (with after tax bonus used to acquire shares or the deferral taking place through a deferred share award) with the shares eligible for release after a period of two years. Dividend equivalents may accrue on deferred bonus shares. Malus and clawback provisions will apply in the case of individual gross misconduct, an error in assessing performance against the condition, corporate failure (for which the individual was partly or wholly responsible) and/or in the event that the individual is found legally responsible for: • a material misstatement of the Annual Accounts; or • a failure of risk management or reputational damage to the Company.	Maximum opportunity of 150% of salary. The target opportunity is 50% of maximum and the threshold opportunity is up to one-third of maximum.	Performance related. Performance targets can include financial, non-financial and personal achievement criteria measured over one financial year. The Committee has discretion to make changes in future years to reflect the evolving nature of the strategic imperatives that may be facing the Company.
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.	Enables the award of both Performance Share Awards and Restricted Share Awards. In 2025, and for the duration of the Russian invasion of Ukraine, it is not anticipated that Performance Share Awards will be granted due to the challenges with forward forecasting in the dynamic environment created by the war. To the extent that an LTIP award vests, this will include the applicable dividends on the shares earned during the vesting period. Subsequent dividends on shares held by participants are paid in shares. Vesting of Restricted Share awards is normally subject to a three-year continued employment requirement and consideration of a performance underpin. A two-year holding period applies to shares vesting under the LTIP. Malus and clawback provisions will apply in the case of individual gross misconduct, an error in assessing performance against the condition or underpin, corporate failure (for which the individual was partly or wholly responsible) and/or in the event that the individual is found legally responsible for: • a material misstatement of the Annual Accounts; or • a failure of risk management or reputational damage to the Company.	The LTIP provides annual Restricted Share Awards up to an aggregate limit of 100% of salary in normal circumstances. This limit may be exceeded in exceptional circumstances but will not exceed 150% of salary.	Restricted Share Awards are subject to a 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.

Purpose and link to strategy	Operation	Opportunity	Performance metrics
Share ownership guideline To provide alignment of interests between Executive Directors and shareholders.	The Company operates a shareholding requirement which is subject to periodic review. As a minimum, Executive Directors are expected to retain 50% of the post-tax shares vesting under the LTIP and shares deferred under the annual bonus (on an after tax basis) until the shareholding requirement is met. Following cessation of employment, Executive Directors are expected to hold the lower of 200% of salary and the value of shares held on cessation for two years. The Committee maintains discretion to disapply the policy as it considers appropriate in exceptional circumstances (e.g. death). The post-cessation guideline will apply to shares deferred under the annual bonus (on an after tax basis) and shares which vest under existing and future LTIP awards (after tax) during the Executive Director's tenure.	Executive Directors are required to build and maintain a shareholding to the value of at least 200% of salary. Executive Directors are required to hold the lower of 200% of salary and the value of shares held on cessation for two years post cessation. The share ownership guideline does not apply to the Executive Chair	Not performance related.

RATIONALE FOR PERFORMANCE TARGETS

The STIP is based on performance categories that are key to delivering on our long-term strategy. Performance targets are set at the beginning of the financial year to reflect business priorities and other corporate objectives, and can include financial, non-financial and personal achievement criteria.

Performance targets are set at such a level as to be stretching but achievable, with regard to the particular strategic priorities and economic environment in a given performance period. The STIP targets are set with reference to the annual budget approved by the Board and the Committee uses its judgement to determine appropriate stretch in targets from threshold to maximum performance levels. The Committee believes that using multiple targets for the purposes of the STIP provides for a balanced assessment of performance over the year.

Restricted Share Awards for Executive Directors granted under the LTIP will be subject to an underpin whereby the Committee will consider the Company's performance relative to its mid to long-term financial, operation 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 and will consider the extent to which the value delivered on vesting is as a result of windfall gains.

RATIONALE FOR EXECUTIVE CHAIR NOT RECEIVING VARIABLE PAY

Given the interim nature of the Executive Chair role, and the expectation that the Executive Chair will return to his position as Non-executive Chair following the end of his tenure, the Committee has determined that it would not currently be appropriate for the Executive Chair to receive variable remuneration.

REMUNERATION OF SENIOR EXECUTIVES BELOW THE BOARD

The policy and practice with regard to the remuneration of senior executives below the Board is broadly aligned with that of the Executive Directors.

PAYMENTS RESULTING FROM EXISTING AWARDS

Executive Directors are eligible to receive payment resulting from the vesting of any award made prior to the approval and implementation of the remuneration policy detailed in this report.

NON-EXECUTIVE DIRECTOR POLICY TABLE

This section of our report summarises the policy for each component of Non-executive Director remuneration.

Purpose and link to strategy	Operation	Opportunity	Performance metrics
Fees To attract and retain talent by ensuring fees are market competitive and reflect the time commitment required of Non-executive Directors in different roles.	Annual fee for the Chair. Annual base fee for Non-executive Directors. Additional fees are paid for additional responsibilities including to the Senior Independent Director and the Chairs of the Committees and/or in relation to the Non-executive Director who will be a representative of employees as well as for representation on subsidiary Boards, where appropriate. Fees are reviewed from time to time, taking into account the time commitment, responsibilities and fees paid by comparable companies, and also taking into consideration geography and risk profile.	Changes to Non-executive Director fees are applied in line with the outcome of the review undertaken by the Chair and Executive Directors. Additional remuneration may be provided in connection with fulfilling the Company's business (e.g. any expenses incurred fulfilling Company business may be reimbursed including any associated tax). The maximum aggregate fees, per annum, for all Non-executive Directors allowed by the Company's Articles of Association is £5 million. For the avoidance of doubt, additional remuneration received by the Chair by way of salary under his service contract while he serves as Executive Chair shall not count towards these limits.	Not performance related.

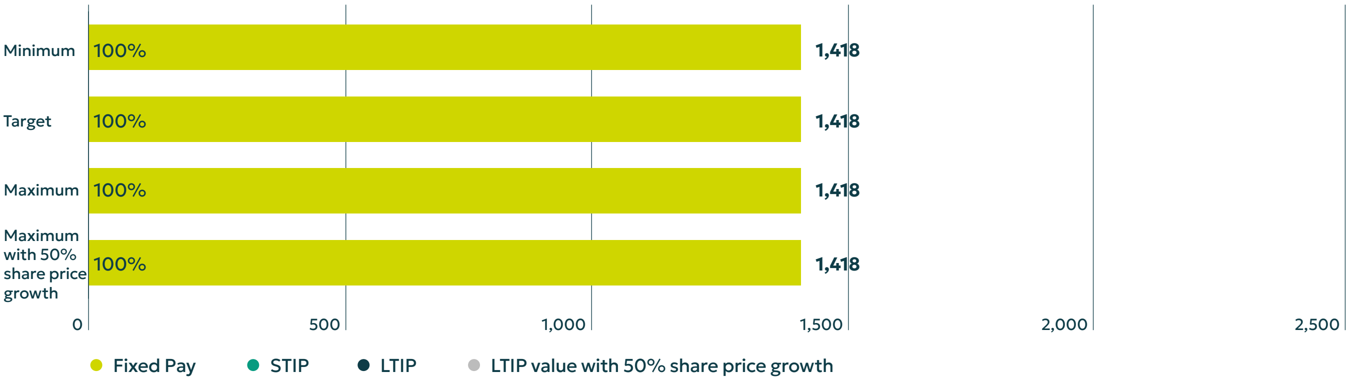
PAY-FOR-PERFORMANCE: SCENARIO ANALYSIS

The graph on the following the page illustrates estimates of the potential future reward opportunity and the potential split between the different elements of remuneration under four different performance scenarios: "Below threshold", "On-target" and "Maximum" and "Maximum assuming 50% share price growth". The Executive Chair only receives a fixed fee in respect of his duties and therefore receives the same remuneration in all scenarios. The assumptions for the CFO are summarised in the table below.

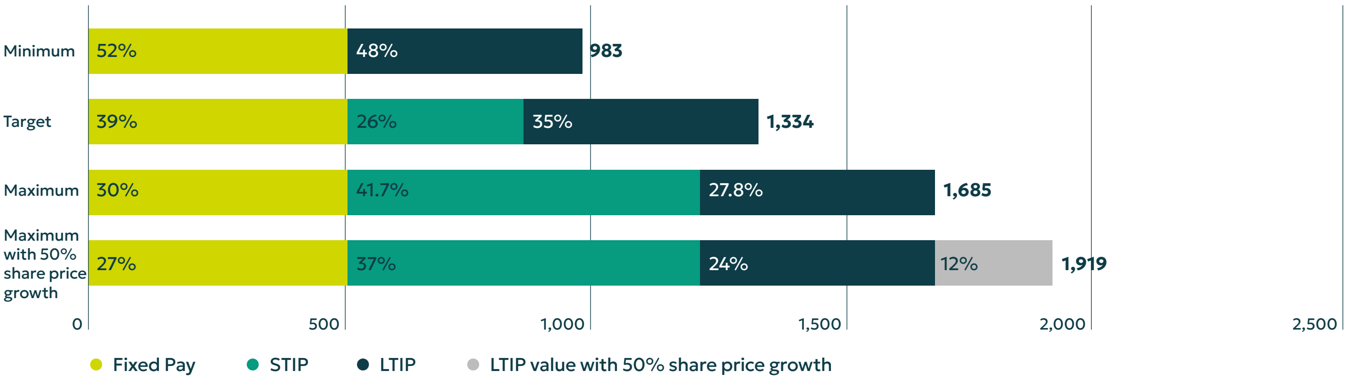
Scenario	Fixed pay	STIP	LTIP
Below threshold	Base salary, pension and benefits as applicable for 2025 financial year[1]	No STIP (0% of salary)	Full vesting of the Restricted Share Plan ("RSP") Award – assumed normal maximum policy of 100% of salary, although, in practice, awards to Executive Directors are significantly lower
On-target		On-target STIP (75% of salary)	
Maximum		Maximum STIP (150% of salary)	
Maximum, assuming 50% share price growth		Maximum STIP (150% of salary)	As above, but modelling the impact of a 50% increase to share price

1. Benefits have been included at CHF47,172 based on the 2024 benefit provision to the CFO.

Executive Chair US$ ('000)



CFO US$ ('000)



REMUNERATION POLICY FOR NEW APPOINTMENTS

The Committee's approach to setting remuneration for new Executive Directors is to ensure that the Company's pay arrangements are in the best interests of Ferrexpo and its shareholders. To do this, the Company takes into account internal pay levels, the external market, location of the executive and remuneration received at their previous employment. The Committee reserves discretion to offer appropriate benefit arrangements, which may include the continuation of benefits received in a previous role. Variable pay awards (excluding any potential "buy-out" awards, described below) for a newly appointed Executive Director will be as described in the Executive Director Policy table earlier in this report, subject to the same maximum opportunities. Different performance targets and conditions may be set initially for incentives in the first year of appointment to recognise the timing of their appointment during the year. The rationale will be clearly explained in each case.

In addition, the Committee may make an award in respect of a new appointment to "buy out" existing incentive awards forfeited on leaving a previous employer. In such cases, the compensatory award would typically be on a like-for-like basis with similar time to vesting, performance conditions and likelihood of the targets being met. The fair value of the buy-out award would not be greater than the awards being replaced. To facilitate such a buy-out, the Committee may grant a bespoke award under the Listing Rules exemption available for this purpose.

In cases of appointing a new Executive Director by way of internal promotion, the Group will honour any contractual commitments made prior to his or her promotion to Executive Director.

In every case, the Board will pay both the appropriate, but also the necessary, rate of pay to attract an executive who in the view of the Board will contribute to shareholder value.

The approach to setting Non-executive Director fees on appointment is in line with the approach taken for the fee review set out in the Non-executive Director Policy table earlier in this report and will also take into account fee levels for existing Non-executive Directors.

DETAILS OF EXECUTIVE DIRECTORS SERVICE CONTRACTS

The Chief Financial Officer, 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 with the employer 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 twelve months, which can be extended by mutual agreement. Neither contract has any special provisions in the event of a change of control.

				Notice period	
Executive Director	Position	Date of contract	Length of current contract	From employer	From employee
Lucio Genovese	Executive Chair	1 July 2023	12 months (renewable)	3 months	3 months
Nikolay Kladiev	CFO	7 July 2021	Indefinite	6 months	6 months

Under their service contracts, Mr Genovese and Mr Kladiev are entitled to 25 working days' paid holiday per year plus public holidays and other forms of leave in accordance with applicable legislation. The Executive Director's service contracts contain a provision exercisable at the option of the employer to pay an amount on early termination of employment equal to the respective notice period. If the employer elects to make such a payment (which in practice it will do if the speed and certainty afforded by this provision are thought to be in the best interests of shareholders), the Executive Directors will be entitled under their contracts to receive all components of their base salaries, and accrued but untaken holiday where applicable and required under law for the extent of the notice period. In addition to the contractual rights to a payment on loss of office, any employee, including the Executive Directors, may have additional statutory and/or common law rights to certain additional payments, for example, in a redundancy situation.

POLICY FOR LOSS OF OFFICE PAYMENTS

The following principles apply when determining payments for loss of office for the Executive Directors and any new Executive Directors.

The employer will take account of all relevant circumstances on a case-by-case basis including (but not limited to): the sums stipulated in the service contract (including base salary during his or her notice period, accrued but untaken holiday, and allowances/benefits); whether the Executive Director has presided over an orderly handover; the contribution of the Executive Director to the success of the Company during his or her tenure; and the need to compromise any claims that the Executive Director may have. The Company may, for example, if the Committee considers it to be appropriate:

- enter into agreements with Executive Directors which may include the provision of legal fees or the settlement of liabilities in return for a single one-off payment or subsequent payments subject to appropriate conditions;
- reimburse reasonable relocation costs where an Executive Director (and, where relevant, their family) had originally relocated to take up the appointment;
- terminate employment other than in accordance with the terms of the contract (bearing in mind the potential consequences of doing so); or
- enter into new arrangements with the departing Executive Director (for example, confidentiality, restrictive covenants and/or consultancy arrangements).

If the individual is considered a "good" leaver (e.g. for reasons of death, ill-health, injury or disability, retirement, redundancy, their employing company ceasing to be a member of the Group, the business (or part) of the business in which they are employed being transferred to a transferee which is not a member of the Group, or any other reason which the Committee in its absolute discretion permits) any outstanding LTIP awards will, except in the case of death, be pro-rated for time and any performance conditions will be measured (in the case of Performance Share Awards) and any performance underpins considered (in the case of Restricted Share Awards). The Committee retains discretion to alter these provisions (as permitted by the relevant plan rules) on a case-by-case basis following a review of circumstances, in order to ensure fairness to both shareholders and participants with any amended conditions to be similarly challenging having had regard to the relevant circumstances. In considering the exercise of discretion as set out above, the Committee will take into account all relevant circumstances which it considers are in the best interests of the Company, for example, ensuring an orderly handover, performance of the executive during his or her tenure as Director, performance of the Company as a whole and perception of the payment amongst the shareholders, general public and employee base. The Committee has discretion to determine that an annual bonus should remain payable under the STIP notwithstanding termination of office or employment.

In the event of a change of control, the vesting period under the LTIP ends and awards may be exercised or released to the extent to which the performance conditions attaching to Performance Share Awards and any conditions under any performance underpin attaching to Restricted Share Awards have, in the Committee's opinion, been achieved up to that time. Pro-rating for time applies but the Committee has discretion to allow awards to be exercised or released to a greater extent if it considers it appropriate having regard to the circumstances of the transaction and the Company's performance up to the date of the transaction.

It is the Committee's policy to review contractual arrangements prior to new appointments in light of developments in best practice. The Executive Director's service contracts are available to view at the Company's registered office.

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 which should be notified to the Board. No external directorships of quoted companies are currently held by the Executive Directors.

DETAILS OF NON-EXECUTIVE DIRECTORS' LETTERS OF APPOINTMENT

The 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:

Non-executive Director	Position	Date of first appointment	Date of election/re-election
L Genovese[1]	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
N Polischuk	Non-executive Director	29 December 2021	2024 AGM

1. Details of the service contract which governs the additional services which Mr Genovese has agreed to provide while he serves as Executive Chair are set out in the section headed 'Details of Executive Directors service contracts' above.

EMPLOYEE CONTEXT

In making remuneration decisions, the Committee also considers the pay and employment conditions throughout the Group. Prior to the annual pay review and throughout the year, the Committee receives reports from the CEO, or Executive Chair, setting out the circumstances surrounding, and potential changes to, broader employee pay. The CEO, or Executive Chair, consults as appropriate with key employees and the relevant professionals throughout the Group. This forms part of the basis for determining changes in Executive Director and senior executive remuneration which also takes into consideration factors detailed earlier in this report.

CONSIDERATION OF SHAREHOLDER VIEWS

The Committee takes into consideration views expressed by shareholders and their proxy advisers regarding remuneration, either at the AGM, or by correspondence, or 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 their proxy adviser's 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.

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 are disclosed in local currencies to facilitate year-on-year comparisons, uninfluenced by exchange rate fluctuations.

COMMITTEE MEMBERSHIP IN 2024

The Committee currently comprises three Independent Non-executive Directors. Fiona MacAulay is Chair of the Remuneration Committee, with the other members of the Committee being Stuart Brown and Vitalii Lisovenko. Stuart Brown was appointed to the Committee in February 2024.

The Committee met on five scheduled occasions and also held one ad-hoc meeting in 2024. Attendance at meetings by individual members, together with a summary of the topics discussed at meetings in 2024 is set out in the Chair's Introductory Letter on pages 130 to 133.

The Executive Chair, and the Chief Human Resources Officer (the "CHRO") attended meetings of the Committee at the invitation of the Chair of the Committee, and the Company Secretary acts as secretary to the Committee. The other Non-executive Directors and other members of management may also attend meetings by invitation where appropriate. No Director is present when their own remuneration is being discussed.

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 2024 totalled £53,275 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 or any individual Directors which may impair their independence.

The 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 for each currency of payment the total remuneration received by each Executive Director during the year ending 31 December 2024 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)
Executive Chair									
L Genovese (2024)[7]	**US$650,000**	**–**	**–**	**–**	**US$67,790**	**US$325,000**	**US$1,042,790**	**US$1,042,790**	**–**
L Genovese (2023)[7]	US$237,500	–	–	–	US$11,819	–	US$249,319	US$249,319	–
Chief Financial Officer									
N Kladiev (2024)	**CHF468,000**	**–**	**CHF308,310**	**CHF2,995**	**CHF47,172**	**–**	**CHF826,477**	**CHF515,172**	**CHF311,305**
N Kladiev (2023)	CHF283,862	–	CHF335,000	CHF4,648	CHF11,354	–	CHF634,864	CHF295,216	CHF339,648

The figures have been calculated as follows:

1. Base salary: amount earned for the year. Mr Kladiev's salary for 2023 is from the date he joined the Board on 25 May 2023 to 31 December 2023.
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 145 to 146.
4. LTIP: the market value of shares that vested based on performance of the relevant year (2024: anticipated 8.2% to vest; 2023: 16.78% vested). The 2021 LTIP value for N Kladiev includes dividends of CHF2,477 paid over the performance period from 1 January 2021 to 31 December 2023. The 2022 LTIP for N Kladiev includes dividends of CHF348 paid in the period 1 June 2022 to 31 December 2024 with the value based on the three-month average share price to 31 December 2024 of 76.63 pence. The actual vesting outcome of the 2022 LTIP award will be confirmed in the 2025 Directors' Remuneration Report.
5. Average exchange rates used for LTIP value: 2024 – £1=CHF1.1252; 2023 – £1 = CHF1.1169.
6. Pension: N Kladiev receives an employer pension contribution of 7% 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 8% of his salary as 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 10.1% and for Mr Genovese to 10.4%.
7. Mr Genovese assumed the role of Executive Chair on 1 July 2023 following Mr North stepping down as CEO. The remuneration included in the table above reflects the amounts paid to Mr Genovese in respect of this role. Remuneration earned prior to this date and currently in respect of his role as Non-executive Chair of the Company is detailed in the table on the following page. As indicated in the letter from the Chair of the Remuneration Committee, Mr Genovese's base salary was increased on 1 July 2024 from US$475,000 per annum to US$825,000 per annum. Consequently, from 1 January to 30 June Mr Genovese received a salary of US$237,500 and from 1 July to 31 December 2024 a salary of US$412,500 totalling US$650,000 for the reporting year.
8. Other: Mr Genovese received a top-up to his executive salary as a result of the additional time commitment of the role as explained on page 132 of the Remuneration Committee Chair's Introductory Letter.

The table below sets out in a single figure the total remuneration received by each Non-executive Director for the year ending 31 December 2024 and the prior year.

	All figures shown in currency of payment, US$'000							
	2024				2023			
	Fees	**Benefits**	**Pension**	**Total**	Fees	Benefits	Pension	Total
Non-executive Directors								
L Genovese (Chair)[1]	**525**	**–**	**–**	**525**	578	–	–	**578**
V Lisovenko[2]	**203**	**–**	**–**	**203**	196	–	–	**196**
F MacAulay (Senior Independent Director)[3]	**208**	**–**	**–**	**208**	200	–	–	**200**
S Brown[4]	**178**	**–**	**–**	**178**	27	–	–	**27**
Former Non-Executive Directors								
N Polischuk[5]	**211**	**–**	**–**	**211**	153	–	–	**153**
AC Andersen[6]	**–**	**–**	**–**	**–**	80	–	–	**80**
G Dacomb[7]	**–**	**–**	**–**	**–**	176	–	–	**176**

1. Mr Genovese assumed the role of Executive Chair from 1 July 2023. The above table reflects his fee as Board Chair. The portion of remuneration earned for his role as Executive Chair is disclosed in the Executive Director table on the previous page. In 2023, in addition to his base fee, Mr Genovese received a one-off payment of US$57,292 for additional time spent on Board matters in the first quarter of 2023. This payment was in relation to the exceptional time commitment required as a result of the ongoing impact of the Russian invasion of Ukraine. Mr Genovese also serves as a Non-executive Director of Ferrexpo AG and, in 2024, received a fee of US$80,000 p.a. (2023: 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 Committee.
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.
6. Ms Andersen ceased to be a Director on 25 May 2023.
7. Mr Dacomb ceased to be a Director on 31 December 2023.

IMPLEMENTATION OF REMUNERATION POLICY

SALARY

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 salary review process for FY 2025 has been deferred until mid-year. Any increase awarded with effect from 1 July 2025 will be set out in next year's Directors' Remuneration Report.

		Base salary at:	
Executive Director	Position	**1 January 2025**	1 January 2024
N Kladiev	CFO	**CHF468,000**	CHF468,000

The Executive Chair was appointed on 1 July 2023 on a one-year contract to 30 June 2024 following Jim North, the former CEO, stepping down from his role. His base salary and fee was set on appointment at US$1,000,000 made up of his current fee of US$525,000 as Board Chair and an additional US$475,000 on an interim basis while he serves as Executive Chair. This fee was set to reflect his expected future time commitment in the role in addition to his non-participation in the Company's incentive plans which was not considered appropriate given the interim nature of his appointment.

As detailed in the Committee Chair's Introductory Letter, in connection with the expiry of the Executive Chair's one year contract on 30 June 2024, the Remuneration Committee undertook a review of the scope of his role and the actual time commitment that the role involved versus the original expectations of the role and as a result reset his remuneration to better reflect the actual time commitment of the role. As a result, to reflect the higher time commitment, his base salary and fee from 1 July 2024 was increased to a combined total of US$1,350,000 made up of his pre-existing Board Chair fee of US$525,000 and an additional allowance, in recognition of the extra time commitment, of US$825,000.

Having rebased the remuneration for the time commitment of the role, there is no expectation of any future adjustments for the role beyond a cost of living related adjustment. The Committee also does not intend to introduce incentive pay to the role.

Should the role revert to a more traditional Non-executive Board Chair role, or the time commitment of the role materially reduce or increase, remuneration would be adjusted accordingly.

PENSIONS AND OTHER BENEFITS – AUDITED

The Group does not operate a separate pension scheme for Executive Directors. In line with other employees, under the rules of the Zurich pension scheme that is mandatory as a condition of service for employees in Switzerland, Mr Kladiev receives a company pension contribution of 7% of salary and Mr Genovese receives a 8% pension contribution in respect of the salary he receives in relation to the executive function of his role. Additionally, a mandatory risk premium is paid to the insurer to cover disablement and/or death of a member and the provision of a survivor's pension. In 2024, this additional risk premium increased the employer pension contribution for Mr Kladiev and Mr Genovese to 10.1% and 10.4% of salary respectively.

2024 STIP OUTCOME – AUDITED

The Company, as a single product producer of iron ore pellets with a focused customer portfolio, sets its performance targets to ensure that the Executive Directors and senior executives are motivated to enhance shareholder value both in the short term and over the longer term.

The performance targets were set against our key operational and financial priorities that included production, total mining movement including stripping, Group cash EBITDA (normalised for realised sales prices within a +/-5% band), 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 set this at 75% of the maximum for each part of the bonus), where the budget is missed, a below target bonus for that element may only be paid (the committee set this at 25% of the maximum for each part of the bonus). The overall bonus earned based on a testing of the targets was also to be subject to Committee discretion to make an adjustment if there was a disconnect between overall performance, reward and affordability. This structure is as 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.).

Only the CFO was eligible for a bonus in 2024, at a maximum of 150% of salary with on-target set at 75% of salary. Performance against the targets set and the bonus achieved is set out below.

The targets set, actual performance against the targets and the testing of those targets and the associated out-turn are detailed in the table below. Performance in relation to 50% of the total bonus exceeded the targets set and were scored at 75% of the maximum for each part of the bonus. Performance in relation to the remaining 50% of the total bonus was below the targets set and were scored at 25% of the maximum for each part of the bonus. This resulted in an overall bonus outcome of 50% of maximum (75% of salary). The Committee then used its discretion, as detailed in the Chair's Introductory Letter to reduce the bonus by 7.5% in light of the Group-wide focus on cash conservation. This resulted in a final bonus of 45% of the maximum (67.5% of salary). A full analysis of the factors considered by the Committee when assessing targets and its use of discretion is set out below the Business Scorecard below.

BUSINESS SCORECARD (100% OF STIP)

KPI	Measure/target	Weighting %	Target 75%	Scorecard outcome	Outcome for each element %	Assessment	Max as a % of salary	Weighted outcome as a % of salary
Financial	Group Cash EBITDA (US$, million)[1]	30.0%	80.7	39.9	49.4%	Below target	45.0%	11.25%
ESG	LTIFR (% < FXPO 5YR average (0.52))	10.0%	-20%	1.9%	-9.4%	Below target	15.0%	3.75%
	Diversity Ratio (% Women in leadership (grade 10+))	10.0%	23.3%	22.9%	98.3%	Below target	15.0%	3.75%
	Environmental plan compliance	10.0%	100%	155.3%	155.3%	Stretch	15.0%	11.25%
Operational	Production volume (pellets only) (kt)	15.0%	4,960	6,071	122.4%	Stretch	22.5%	16.88%
	Total mining movement including stripping (kt)	15.0%	54,039	64,774	119.9%	Stretch	22.5%	16.88%
Sales & Marketing	Sales volume (pellets only) (kt)	10.0%	5,150	6,010	116.7%	Stretch	15.0%	11.25%
Total		**100.0%**					**150.0%**	**75.0%**
Scorecard outcome as a percentage of salary								**75.0%**
Committee discretion applied								**-7.5%**
Outcome as a percentage of salary								**67.5%**

1. restated for realised price within a +/-5% band as per the bonus plan targets set at the start of the year.

When assessing the business scorecard targets set at the beginning of the year, the Committee acknowledged that 2024 had been an exceptionally challenging year, despite an overall improvement in performance compared to 2023. The ongoing war in Ukraine, now in its fourth year, continued to constrain operations. Against this backdrop, demand for the Group's products remained sluggish among steelmakers, while the iron ore market faced volatility and declining prices. Additionally, input costs rose sharply, particularly for electricity, which had to be imported from Europe due to Russian attacks on Ukraine's energy infrastructure. The global surge in energy prices, exacerbated by the war and inflation, further impacted the Group's input costs.

Although Black Sea export routes reopened, allowing for increased shipping, this led to higher expenses due to elevated insurance premiums and freight costs. As a result, despite increased mining activity, pellet production, and sales being all ahead of budget, the Group fell short of its cash EBITDA target.

The Committee also reviewed the Group's progress on ESG targets. Due to disruptions from the war, two out of three ESG targets were missed, though only marginally. However, environmental compliance exceeded expectations, achieving stretch. While the diversity target was not met, the Committee noted that the Group continued to make significant strides toward gender balance. In 2024, the proportion of managerial roles held by women increased from 22.3% in 2023 (87 female managers) to 22.9% (97 female managers), with this positive trend expected to continue into 2025, despite the war. The Group remains on track to meet its goal of at least 25% female representation in managerial roles by 2030.

Further, overall female representation in the workforce improved, rising from 30.9% in 2023 to 32.2% in 2024. Notably, despite a reduction in total workforce numbers due to operational challenges, the number of female employees increased from 2,130 in 2023 to 2,145 in 2024 which represented a recruitment ratio of 0.8 women for every man. The Committee recognised this as a significant achievement, particularly given the complexities of maintaining a variable workforce while advancing diversity and talent management strategies.

On workplace safety, the Committee noted that the Group's Lost-Time Injury Frequency Rate ("LTIFR") remained ahead of industry peers. However, it expressed concern over a rise in workplace accidents in 2024. While the increase was understandable given the ongoing conflict and the psychological strain it imposes—potentially affecting workers' focus and mental well-being—it is a key area for improvement. The Committee emphasised the need for continued vigilance and enhanced measures to safeguard employees in such a difficult environment.

Beyond the scorecard results, the Committee recognised management's relentless efforts to safeguard the Group's assets despite the challenges of war. Their commitment ensured the continued production and sale of high-grade pellets, even in highly adverse conditions. The swift execution of a right-sizing strategy, along with the development of a more diverse product range, particularly record production of DR pellets, tailored to shifting market demands, allowed the Group to remain agile and responsive to uncertainty.

By optimising available logistics capacity, management minimised disruptions, maintaining a steady supply to European customers while also protecting the Group's long-term stability. As a result, the business remained cash flow positive, upheld a strong cash position, and carried no financial debt. Notably, the Group closed the year with a cash balance exceeding US$100 million.

Given the challenging year for the business, the Committee carefully reviewed the scorecard outcome and determined that an on-target bonus would not accurately reflect the missed key targets. Most notably, the Group fell short of its EBITDA target, and while rising costs were partly driven by external factors, certain controllable cost elements could have been managed more effectively.

Additionally, safety remains a fundamental priority, and the increase in workplace accidents was a serious concern. The Committee emphasised the need for greater management focus on improving safety performance in 2025 to prevent further incidents.

Taking these factors into account—along with the overall affordability for the business—the Committee exercised downward discretion, reducing the bonus outcome by 7.5%. As a result, it was determined that the CFO earned a bonus of 45.0% of the maximum, 67.5% of salary. In determining that the final bonus amount was appropriate, the Committee had regard to the wider stakeholder experience during the year, including the returns generated for shareholders and the bonus awards made across the executive leadership team which were calculated on the same basis.

As detailed in the Chair's Introductory Letter, the Committee also considered the policy requiring the CFO to defer 25% of the bonus (net of tax) into shares, with a two-year holding period in normal circumstances. In light of the Committee's use of negative discretion, the volatility of the Company's share price as a result of the war, and the exceptional pressure on bonus plan participants arising from the war, the Committee concluded that the bonus should be paid solely in cash.

STIP FRAMEWORK FOR 2025

The CFO's 2025 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 for 2025.

The measures used for the 2025 bonus which are aligned with the Group's priorities remain as per 2024 and are as set out in the table below.

KPI	Weighting
Financial	30.0%
Underlying cash EBITDA	
ESG	25.0%
Safety	
Diversity	
Environmental compliance	
Operational	30.0%
Production	
Total mining movement	
Sales and Marketing	15.0%
Sales volume	
Total	**100.0%**

LTIP AWARD VESTING (AUDITED)

The 2022 LTIP award is subject to TSR outperformance of a tailored comparator group (75% weighting) tested over the period from 1 June 2022 to 31 May 2025, and Production of 67% Fe pellets (12.5% weighting) and carbon emissions reductions (12.5% weighting) with both of these targets tested over the three-year period to 31 May 2025.

With regard to the TSR performance period, this was set to run from the grant date as the award was delayed as a result of the Russian invasion of Ukraine in February 2022. The Russian invasion had a negative impact on the Company's share price and so the starting point for measuring relative TSR performance (based on an average share price) was June 2022. With the impact of the invasion continuing to weigh heavily on the Company's share price, with five months of the performance period to run as at 31 December 2024, no vesting is anticipated arising from the TSR portion of the award. The TSR test is based on our relative performance to date against a bespoke Index of comparable Iron Ore and Composite Miners. Actual vesting will be confirmed in the 2025 Directors' Remuneration Report.

With regard to the production and carbon emissions reduction targets, actual 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]	75.0%	Index	Index + 8.0% p.a.	With 31 of the 36 months completed, Ferrexpo's performance suggests 0% out of 75% vesting	Straight line vesting takes place between performance points
Production of 67% Fe pellets[2]	12.5%	3.0% over period	7.0% over period	5.28% over the period, so vesting at 8.2% out of 12.5%	
Carbon emissions reduction	12.5%	3.0% p.a.	5.0% p.a.	Reduction of 0.142% p.a. over the period, so this part of the award will not vest	

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

The Committee will confirm final vesting in the 2025 Directors' Remuneration Report with the current estimate being 8.2% of the total award. The estimate of vesting for the purposes of the Single Figure Table is based on the above assessment and the award details set out below and will be restated in the 2025 Directors' Remuneration Report.

Details of the number of shares expected to vest under the 2022 Award are set out in the table below.

	Date of grant	Number of shares	Award share price[1]	Value awarded based on grant price	Estimated vesting percentage	Number of shares estimated to vest	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 Kladiev	01.06.22	37,440	164.23p	£61,488	8.2%	3,070	£5,042	76.63p	£2,353	-53%

1. Based on the average share price over the three-month period from 1 March to 30 May 2022 preceding the start of the TSR performance period.
2. Based on the three-month average share price to 31 December 2024 of 76.63 pence. Value figures exclude dividends received over the vesting period of CH348.
3. Excludes value of shares in lieu of dividends (2024: nil) in the reporting year.

LTIP GRANTED IN 2024 (AUDITED)

Mr Kladiev was granted a 2024 LTIP award in respect of 166,000 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	01.06.24	166,000	£102,123	25%	01.06.27

1. Based on the volume weighted average share price over the three-month period prior to grant (ending 7 May 2024) of 61.59pence.

The 2024 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 remaining in employment and 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 and it 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. 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 2025

The same approach will operate in relation to 2025 as in 2024. The Committee intends to grant Mr Kladiev a Restricted Share Award which is expected to have a face value of 25% of his salary.

The number of shares under the award will be based on the average share price over such period as the Committee determines is appropriate prior to grant (currently expected to be the volume-weighted average share price for up to 5 dealing days), and 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. 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.

Any shares vesting from these awards will be subject to recovery provisions (as detailed in this Remuneration Report).

NON-EXECUTIVE DIRECTORS (INCLUDING THE CHAIR)

As set out above, the Board Chair currently receives a combined executive and non-executive fee of $1,350,000. The Non-executive portion of US$525,000 has not been increased vis-à-vis 2024.

The wider Non-executive Directors' fees were also eligible for review at the end of 2024 with the decision taken, as per the wider corporate employee base as noted earlier, to defer any review until July 2025. For completeness, current fees as at 1 January 2025 are as set out below:

Role	Current fee levels	Change
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 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 2024:

	At 31 December 2024	At 31 December 2023
L Genovese	**233,651**	233,651
N Kladiev[1]	**129,789**	127,574
F MacAulay	**3,536**	3,536
V Lisovenko	–	–
S Brown	–	–
Former Directors		
AC Andersen[2]	–	–
G Dacomb[3]	–	–
N Polischuk[4]	–	–

1. N Kladiev joined the Board on 25 May 2023.
2. AC Andersen stood down as a Non-executive Director on 25 May 2023 and her 2023 shareholding is as of that date.
3. G Dacomb stepped down as a Director on 31 December 2023 and his 2024 shareholding is as of that date.
4. 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 their vested LTIP shares on an after-tax basis. 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 (after tax) 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 2024 was as follows:

	Shareholding requirement (% salary)	Owned outright	Subject to performance[1]	Current shareholding[2] (% salary)	Requirement met?
N Kladiev	200%	129,789	268,040	101.2%	In progress

1. Performance awards are conditional awards. Further details of shares subject to performance are provided below.
2. Based only on shares owned outright at 31 December 2024 and a share price of 105.8 pence on 31 December 2024 and an exchange rate of £1=CHF1.1252

Details of LTIP awards held by Mr Kladiev are provided below.

	Award	At 1 January 2024	Granted (2024 award)	Estimated to vest	Estimated to lapse	Total at 31 December 2024	Award share price (pence)[1]	End of performance period[2]
N Kladiev	2022 Award[3]	37,440		3,070	34,370	0	164.2	31.05.25
	2023 Award	64,600				64,600	136.8	31.12.25
	2024 Award		166,000			166,000	0.62	31.12.27
Total		**102,040**	**166,000**	**3,070**	**34,370**	**230,600**		

1. Based on the average share price over the three-month period preceding the start of the performance period. For the 2022 Award, based on the three-month volume weighted average price prior to 1 June 2022. For the 2023 Award, based on the three-month volume weighted average price prior to 3 January 2023 of 136.8 pence. For the 2024 Award the three-month average volume weighted share price prior to grant of 62 pence.
2. The 2024 award was granted as a Restricted Share Award and so vests based on continued employment through to the vesting date on 1 June 2027 and satisfaction of the performance underpin that the Committee will assess over the three years to 31 May 2027 (as above).
3. The vesting of the 2022 Award is set out on page 147.

There have been no changes in the interests of the Directors from the end of the period under review to 18 March 2025 being a date not more than one month prior to the date of notice of the AGM. Total outstanding (i.e. awarded but not yet vested) awards granted under the LTIP as at the end of 2024 are equivalent to 0.046% of issued share capital.

PAYMENTS TO PAST DIRECTORS AND FOR LOSS OF OFFICE (AUDITED)

Mr Wolfram Kuoni retired from Ferrexpo plc Board on 28 November 2016 and serves as Chair of Ferrexpo AG. In 2024, he received a fee of US$100,000 for his role as Chair and an additional US$113,636 for additional time spent on shareholder engagement and travel to Ukraine.

The Group entered into an offset agreement with Mr Kostyantin Zhevago relating to amounts potentially owing to Mr Zhevago under his previous CEO contract. See Note 34 Related Party Disclosures to the Consolidated Financial Statements.

In 2024, 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 2024 and 2023, and prior periods for the Directors of the Company and the average for an all-employee population.

	2024 vs 2023			2023 vs 2022			2022 vs 2021			2021 vs 2020			2020 vs 2019		
	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 average[1]	-4.6%	0%	-0.9%	7.6%	0%	-29.7%	3.0%	0%	-16.8%	13.4%	0%	37.1%	24.0%	0%	2.9%
N Kladiev (CFO)[2]	6.2%	0%	-8.0%	N/A	N/A	N/A	–	–	–	–	–	–	–	–	–
L Genovese (Exec. Chair)[3]	310.5%	0%	0%	90%	0%	0%	0%	0%	0%	0%	0%	0%	400.0%	0%	0%
V Lisovenko (EED)[4]	0%	0%	0%	5%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
F MacAulay[5] (SID)	0%	0%	0%	5%	0%	0%	0%	0%	0%	0%	0%	0%	35.0%	0%	0%
S Brown[6]	0%	0%	0%	–	–	–	–	–	–	–	–	–	–	–	–
Former Directors															
AC Andersen[7]	–	–	–	5%	0%	0%	0%	0%	0%	–	–	–	–	–	–
G Dacomb[8]	–	–	–	5%	0%	0%	9.7%	0%	0%	0%	0%	0%	35.0%	0%	0%
N Polischuk[9]	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.
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 Chair in August 2020. He assumed the role of 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 Andersen was appointed to the Board in March 2021 and stood down as a Non-executive Director on 25 May 2023.
8. Mr Dacomb was appointed to the Board on 10 June 2019. In August 2022, his fee was increased as a Chair of the Audit Committee. Mr Dacomb resigned as a Non-executive Director on 31 December 2023.
9. 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

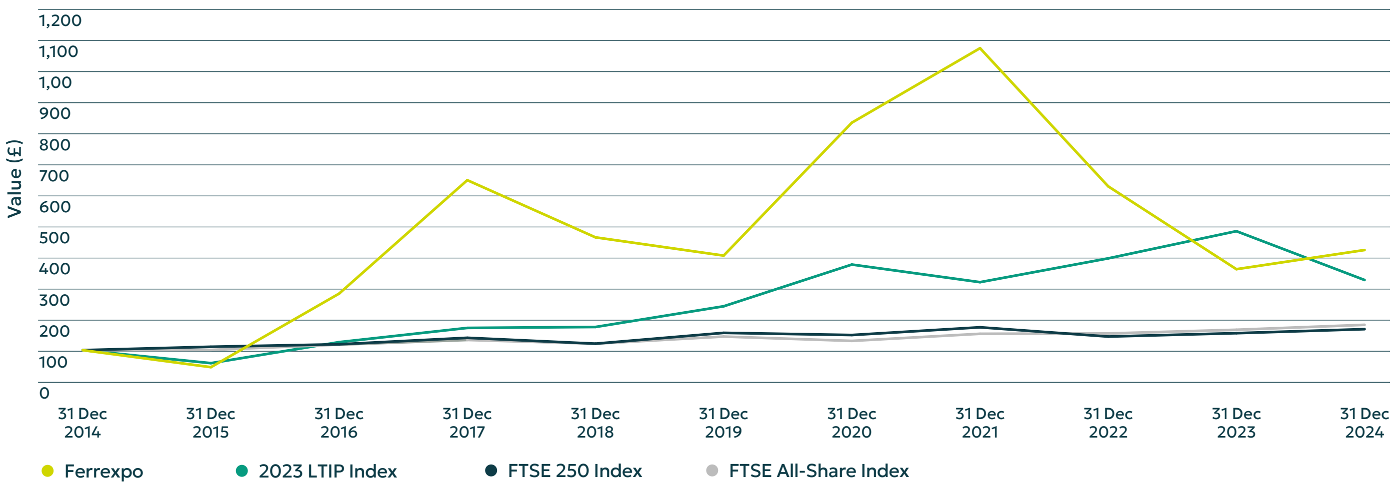
The table below shows Ferrexpo's dividend and total employee pay expenditure (this includes pension and variable pay, including STIP and fair value of LTIP, but not social security) for the financial years ended 31 December 2024 and 31 December 2023, and the percentage change.

US$ million	2024	2023	Year-on-year change
All-employee remuneration	79	68	15.2%
Distributions to shareholders[1]	0.47	456	-89.7%

1. Includes dividends and share buy-backs.

COMPARISON OF COMPANY PERFORMANCE AND EXECUTIVE DIRECTOR PAY

The graph below shows the value, at 31 December 2024, of £100 invested in Ferrexpo's shares on 31 December 2014 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.



HISTORICAL TSR PERFORMANCE

Growth in the value of a hypothetical £100 holding over the ten years to 31 December 2024.

CHIEF EXECUTIVE OFFICER'S PAY

	2015	2016	2017	2018	2019	2020[1]	2021	2022	2023[2]	2024
	KZ	**KZ**	**KZ**	**KZ**	**KZ**	**CM/JN**	**JN**	**JN**	**JN/LG**	**LG**
Single figure total remuneration (US$'000)	243	243	255	251	257	595/1,147	2,473	2,147	540/249	**1,043**
STIP vesting (% max)	K Zhevago did not participate in the STIP					36/67	67	50	0/ N/A	**0**
LTIP vesting (% max)	K Zhevago did not participate in the STIP					0/0	100	72	17/ N/A	**0**

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%	4	1.0%	37,376
2023 Remuneration Report (at 2024 AGM)	421	97.7%	10	2.3%	33,171

This report was approved by the Board on 18 March 2025.

Signed on behalf of the Board

Fiona MacAulay
Chair of the Remuneration Committee
18 March 2025

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 and is a member of the FTSE 250 Index.

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 2024.

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 178 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 on page 86). 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 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$113 million as at 31 December 2024), 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 212.

DIVIDENDS

Results for the year are set out in the Consolidated Income Statement on page 173.

Like the financial year 2023, the Group did not make any dividend payments during the financial year 2024

The Group announced on 18 January 2024 an Interim Dividend of 3.3 US cents, which was due for payment to shareholders on 23 February 2024. Following subsequent and unexpected events in Ukraine relating to a claim against one of the Group's Ukrainian subsidiaries (see Note 30 Commitments, contingencies and legal disputes for further information), the Group announced on 20 February 2024 that the Board had reconsidered the Interim Dividend and decided to withdraw it.

In view of the on-going war in Ukraine, the Board has decided not to declare an interim dividend in conjunction with the Group's full year results for 2024. 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 and up to the date of approval of this Directors' Report were:

- Lucio Genovese
- Nikolay Kladiev
- Vitalii Lisovenko
- Fiona MacAulay
- Natalie Polischuk (resigned 11 January 2024)
- Stuart Brown

Except for Natalie Polischuk who resigned on 11 January 2024, all of the Directors will retire at the forthcoming AGM and, being eligible, will offer themselves for re-election.

Further details about the Directors and their roles within the Group are set out in the Directors' biographies on pages 102 to 103. 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 130 to 151.

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

During the period under review, 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	188
Details of long-term incentive schemes (UKLR 6.6.1R (3))	Remuneration Report	130
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	221 229
Details of waivers of dividends by shareholders (UKLR 6.6.1R (11) and (12))	As at 14 March 2025, the Employee Benefit Trusts contain 9,766,759 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	97
Disclosures concerning greenhouse gas emissions	Strategic Report	49
Engagement with suppliers, customers and others	Strategic Report and pages	56
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	212
Events since the balance sheet date	See Note 35 Events after the reporting period to the Consolidated Financial Statements	231
Likely future developments in the business	Strategic Report	13
Statement of Directors' responsibilities in respect of the Annual Report and Accounts	Corporate Governance Report	159
Information that fulfils the requirements of DTR 7.2 (other than DTR 7.2.6)	Corporate Governance Report	97

DISCLOSURES REQUIRED BY STATUTE

EMPLOYEES

Information on the Group's employment policies can be found in the Strategic Report on pages 47 to 48. Employee numbers are stated in Note 29 Employees to the Consolidated Financial Statements on page 220. 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

In the UK, our energy consumption is less than 40,000kWh, which is below the threshold for energy and greenhouse gas emissions disclosure. The Group does report on its global energy consumption and greenhouse gas emissions and this information can be found in the Strategic Report on page 49. UK energy consumption was the equivalent of less than 0.001% (2023: 0.001%) of the Group's energy consumption in 2024 and UK greenhouse gas emissions were the equivalent of less than 0.001% (2023: 0.001%) of the Group's greenhouse gas emissions in 2024.

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 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 226.

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 23 May 2024. This authority will expire at the conclusion of the Company's 2025 AGM. A special resolution to renew the authority will be proposed at the forthcoming AGM. Details of the resolution renewing the authority to purchase Ordinary Shares will be set out in the Notice of AGM.

The Company did not make use of the authority mentioned above during 2024.

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. Under the Act, members are entitled to appoint a proxy or proxies to exercise all or any of their rights to attend, speak and vote at a general meeting. Subject to the Act, a member that is a corporation may appoint one or more individuals to act on its behalf at a general meeting as a corporate representative.

RESTRICTIONS ON VOTING

No member is entitled to vote at any general meeting in respect of any shares held by them if any call or other sum outstanding in respect of that share remains unpaid. Currently, all issued shares are fully paid. In addition, subject to the Articles, no member shall be entitled to vote if they have failed to provide the Company with information concerning interests in those shares required to be provided under the Act.

SHARES HELD IN THE EMPLOYEE BENEFIT TRUST ("EBT")

The trustees of the Company's EBT may vote or abstain from voting on shares held in the EBT as they think fit and in doing so may take into account both financial and non-financial interests of the beneficiaries of the EBT or their dependants.

DEADLINE FOR VOTING RIGHTS

The Articles provide a deadline for submission of proxy forms of not less than 48 hours before the meeting. The Directors will also specify in the notice of any general meeting a time, being not more than 48 hours before the meeting, by which a person must be entered in the register of members in order to have the right to attend and vote at the meeting. The Directors may decide, at their discretion, that no account should be taken of any day that is not a working day when calculating the 48-hour period.

SUBSTANTIAL SHAREHOLDINGS

As at 31 December 2024, 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
Fevamotinico S.a.r.l.[1]	294,993,686	294,993,686	49.32%

As at 14 March 2025, the latest practicable date prior to publication of the Annual Report and Accounts, 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
Fevamotinico S.a.r.l.[1]	294,993,686	294,993,686	49.32%

1. Fevamotinico S.a.r.l. is a wholly owned subsidiary of The Minco Trust of which Kostyantin 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 Fevamotinico S.a.r.l., Kostyantin Zhevago, The Minco Trust and the Company can be found in the Corporate Governance Report on page 108. 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 Fevamotinico 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

As at the date of the approval of these consolidated financial statements, the war in Ukraine is still ongoing and, during the financial year, the Group continued to demonstrate its resilience and flexibility from an operating perspective, although the ongoing war continues to affect its financial results. The situation in Ukraine is unpredictable and continues to require the Group to be extremely flexible, as mining operations and production have to be adapted to the prevailing conditions. The regained access to Ukrainian Black Sea ports enabled the Group to expand its sales activities and increase its production to the highest level since the full-scale invasion of Ukraine in February 2022.

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. 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/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 the approval of these consolidated financial statements.

The Group's production volume is dependent on a constant power supply in Ukraine, which was affected during 2024 by Russian attacks on power generation and transmission infrastructure in Ukraine, which has, together with higher than expected prices for energy and input materials, especially for electricity imported from EU countries, an impact on the Group's cash flow generation and profitability. The Group's ability to operate its assets also depends on sustainable and sufficient supply of other key input materials required for the mining and production processes as well as maintaining an adequate number of experienced and skilled members of the workforce in Ukraine.

Despite the continued challenging situation during the financial year 2024, the Group increased its total commercial production to 6,890 thousand tonnes of iron ore pellets and concentrate, representing an increase of 66% compared to 4,152 thousand tonnes during the financial year 2023. While the Group's net cash position benefited from the higher production and sales volumes in 2024, the weaker market resulted in a turbulent price environment for iron ore products and higher prices for input materials and energy started in the second half of the year to deteriorate the Group's margin and cash flow generation. As a result, the Group's net cash position decreased from US$108,293 thousand at the beginning of the year to US$ 100,726 thousand as at 31 December 2024. Despite lower margins realised, the Group continued investment in sustaining and development capital expenditure projects to ensure asset integrity and future efficiency gains.

As at the date of the approval of these consolidated financial statements, the Group is in a net cash position of approximately US$41,017 thousand with an available cash balance of approximately US$45,471 thousand. In addition to the available cash balance, the Group has an outstanding trade receivable balance of approximately US$43,421 thousand from its pellet and concentrate sales, which are expected to be collected in the next few months, and finished goods already stockpiled of 412 thousand tonnes at different ports or storage locations other than the plant.

As disclosed in the Group's 2023 Annual Report & Accounts, the ongoing war in Ukraine and other circumstances facing 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 could have a material negative impact on the Group's business activities and reputation. In addition to the material uncertainties related to the ongoing war in Ukraine and the legal disputes in Ukraine, there are number of events after the reporting period that could have an impact on the Group's business activities and its ability to continue as a going concern. For further details, see Note 35 Events after the reporting period.

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 throughout the financial year 2024 and the first months of 2025. Although the management is of the opinion that this claim is without merit, the full provision in the amount of UAH4,727 million (US$112,457 thousand as at 31 December 2024), which was recorded as at the end of the previous year, 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 represents a material uncertainty in terms of 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 liquidity. In addition to this claim and as announced on 4 February 2025, the Group's subsidiary Ferrexpo Poltava Mining ("FPM") has received a civil claim seeking joint liability of FPM and its General Director for damages amounting to UAH157 billion (approximately US$3.8 billion as at 14 March 2025) in favour of the Ukrainian state (see Note 30 Commitments, contingencies and legal disputes for further details). This claim is related to an initial accusation on the illegal sale of waste products, which have transformed into accusations that FPM is illegally mining and selling subsoil (minerals other than iron ore), which is said to have caused damage to the environment. FPM rejects these allegations in their entirety on the basis that there was no illegal extraction of the subsoil. FPM mines and extracts iron ore according to its mining licence and provides for the removal of rock and its storage as a waste in addition to the extraction of iron ore. The 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.

As disclosed in Note 35 Events after the reporting period, on 12 February 2025, personal sanctions have been imposed on Mr Zhevago by Ukrainian authorities. Although, no sanctions have been imposed on any member of the Group, the personal sanctions on Mr Zhevago might have implications on the Group's operation, such as additional challenges with taxes, including refusal of VAT refunds, which could have an impact on the Group's ability to continue as a going concern. As it is likely that the Group's subsidiaries in Ukraine will not receive VAT refunds until the sanctions against Mr Zhevago are lifted, the Group has adjusted its long-term model to reflect the lower expected cash flow generation caused by the potential absence of VAT refunds in Ukraine to minimise the impact on the available cash balance throughout the period of the going concern assessment. In addition and connected 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 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 and the proper authority should be the Ministry of Justice of Ukraine. A nationalisation of 49.5% of shares in FPM and certain of its assets is expected to 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. In addition, a nationalisation of 49.5% of shares in FPM will have an impact on the equity attributable to the shareholders of Ferrexpo plc and its future distributable reserves because Ferrexpo AG would not be entitled to dividends in relation to the nationalised 49.5% of shares in FPM. See Note 12 Earnings per share and dividends paid and proposed for further details.

As disclosed in Note 35 Events after the reporting period, on 4 March 2025, the SBI also 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"). This transfer is in connection with ongoing proceedings against Mr Zhevago relating to Bank F&C, as disclosed in detail on page 222 of Note 30 Commitments, contingencies and legal disputes. Under the Ukrainian Criminal Procedure Code, the ARMA can accept into its management a piece of property that has been arrested only to preserve real evidence. Corporate rights in a Ukrainian company cannot constitute real evidence as they cannot be treated as material objects. Therefore, based on independent legal advice from Ukrainian counsel, the transfer of these corporate rights into the ARMA's management is illegal. As at the date of the approval of these consolidated financial statements, the Group has not been provided with a copy of the relevant court decision of the Pecherskyi District Court of Kyiv and therefore the precise details of the court decision are not known to the Group. However, based on independent legal advice from Ukrainian counsel, management understands that FAG remains the 100% owner of FPM and management does not expect that the transfer of 49.5% of the corporate rights in FPM to ARMA will affect FPM's operations or the Group's ability to continue as a going concern. Asset management is carried out on the basis of the management agreement concluded between ARMA and a selected manager. Based on article 21 of the Law on ARMA, in those cases where the temporary management is established over shares, the manager is obliged to coordinate the exercise of assumed powers at the shareholders meeting with the owner of the shares. This rule suggests that the manager cannot vote at the shareholders meeting on its own, but only with the consent of the owner, Ferrexpo AG. However, a transfer of 49.5% of the corporate rights in FPM to ARMA for management of these corporate rights will have an impact on the equity attributable to the shareholders of Ferrexpo plc and its future distributable reserves. See Note 12 Earnings per share and dividends paid and proposed for further details.

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, which are still adversely affected by production volumes lower than those before the war commenced. Considering the expected impact caused by the sanctions imposed on Mr Zhevago, the Group updated its long-term model by significantly reducing its operation in 2025 and 2026, compared to the model in place before the sanctions have been imposed on Mr Zhevago on 12 February 2025.

The updated base case of the financial long-term model shows that the Group has reasonably sufficient liquidity to continue its operations at a reduced level throughout the entire period of the management's going concern assessment, covering a period of 18 months from the date of the approval of these consolidated financial statements. The updated base case assumes a pellet production volume of approximately 36% of the pre-war level for the financial year 2025, before an increase to approximately 47% in 2026 and an expected recovery to almost the pre-war levels in 2027. The update of the long-term model resulted in a delay of the expected ramp-up to almost the pre-war level by one year, which was expected to be 2026 in the previous model, and a significantly lower cash flow generation, affecting also the available cash balances throughout the period of the going concern assessment. In addition, the production and sales volumes are also dependent on a constant power supply, the logistics network available to the Group and other potential negative effects on the Group's business activities as a result of the ongoing war.

The Group's cash flow generation is most sensitive to price changes. The sensitivities prepared for reasonable adverse changes, with a focus on the expected realised prices, show negative available liquidity balances under some scenarios in late 2025, before any actions taken, such as a further reduction of the operating expenditures and the Group's mining activities. With the significant reduction of the Group's operation in the updated long-term model, the available mitigating actions also reduced significantly. The mitigating actions under the control of the management are estimated to be approximately US$14,000 thousand for the first 12 months and US$47,000 thousand until 31 December 2026 and are considered to be sufficient to offset negative effects from reasonable adverse changes. There are further potential mitigating actions, which are however not fully under the control of the management, which are further explored. Considering the tight balances of available cash under the base case and realised price sensitivity, the available cash balance is expected to be depleted earlier than in late 2025, when combining the effects from reasonable adverse changes (stress test). 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 in combination as a result of the historical natural hedge between iron ore prices and prices for key input materials. However, the Group's available cash balance for the period twelve months after the approval of these consolidated financial statements also depends on the time at which the VAT refund is resumed.

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

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 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 the management's control for identified uncertainties; and

iv) the legal merits in terms of the ongoing legal dispute regarding the above mentioned contested sureties and potential future actions available to protect the interests of the Group in case of a negative decision from the Supreme Court,

there remains a material uncertainty in respect of the ongoing war and legal disputes in Ukraine, including contested sureties claim and the risk of nationalisation 49.5% of shares in FPM and certain of its assets, which are outside of management's control, with the duration and the impact of the war still unable to be predicted, and 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.

In respect of the contested sureties claim mentioned above, the next hearing before the Supreme Court is scheduled for 21 March 2025. As at the date of the approval of these consolidated financial statements, no decision has been made by the Supreme Court in the contested sureties claim. If the Supreme Court rules in favour of the claimants in this case, the commencement of the enforcement procedures could potentially have a material negative impact on the Group's business activities and its ability to continue as a going concern. In terms of the claim received for the accused illegal mining and selling subsoil (minerals other than iron ore), the next hearing is scheduled for 19 March 2025 and it can be assumed that this will be a lengthy process. However, considering the magnitude of the subsoil claim, a final decision by the Supreme Court, after potential negative decisions in the lower courts in Ukraine, could have a negative impact on the Group's ability to continue as a going concern. See Note 30 Commitments, contingencies and legal disputes for further information, which should be read in conjunction with this note.

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 for further information.

Considering the current situation of the ongoing war and legal disputes in Ukraine and the events after the reporting period described above, the Group continues to prepare its consolidated financial statements on a going concern basis. This conclusion is based on the Group's ability to swiftly adapt to changing circumstances cause by the war and the independent legal advice received for the ongoing legal disputes in Ukraine However, as explained above, many of the identified uncertainties in respect of the ongoing war and legal disputes are outside of the 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.

A resolution to reappoint MHA MacIntyre Hudson as the Group's independent auditor will be proposed at the next Annual General Meeting.

AMENDMENTS TO ARTICLES OF ASSOCIATION

The Articles may be amended by special resolution in accordance with the Act.

AGM

The Board intends to hold the AGM of the Company on Thursday 22 May 2025 at 11.00am. Further information will be sent to shareholders in a separate letter from the Chair summarising the business of the meeting together with the Notice convening the AGM.

The Strategic Report on pages 2 to 96 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 18 March 2025.

For and on behalf of the Board

Lucio Genovese
Interim Executive Chair
18 March 2025

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, whose names and functions are listed on pages 102 to 103 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 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 156 of the Directors' Report and Note 2 Basis of preparation of the Consolidated Financial Statements on page 178;

(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 97 to 159.

This responsibility statement was approved by the Board of Directors on 18 March 2025 and is signed on its behalf by:

Lucio Genovese
Interim Executive Chair

Nikolay Kladiev
Executive Director/Chief Financial Officer
18 March 2025

Financial contents

Independent Auditor's Report

To the members of Ferrexpo plc

For the purpose 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 163 to 166 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 2024 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 significant 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 significant 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 2024 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 Group financial statements on page 178 and Note 2 of the Parent Company financial statements on page 235, which indicate that the ongoing war in Ukraine poses a threat to the Group's mining, processing and logistics operations within Ukraine and may cast significant doubt on the ability of the Group to continue as a going concern. 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 indicate that a material uncertainty exists as some of the uncertainties identified are outside of the Group management's control.

In addition, a further material uncertainty exists, as disclosed in Note 2, relating to a number of legal disputes in Ukraine due to the application of local legislation and the outcomes of proceedings involving the Group. In particular, the decision by the Ukraine Court of Appeal to uphold the award in favour of the claimant in the contested sureties claim, and the potential enforcement of this decision, may place significant demands on the Group's future cash resources availability.

Additionally, as disclosed in Note 2 and Note 35, on 12 February 2025, personal sanctions were imposed by the Ukrainian authorities on Mr Zhevago, one of three owners of The Minco Trust, which fully owns Fevamotinico, the largest shareholder of the Group. Although no sanctions have been imposed directly on any Group entities, these personal sanctions could result in indirect consequences for the Group, such as heightened challenges in relation to tax matters, including the potential refusal to issue VAT refunds, and nationalisation of 49.5% of the shares of FPM and certain assets which may further impact the Group's ability to continue as a going concern.

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

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, having considered the impact of the war and of the general risks related to the political, fiscal and legal uncertainties of operating in Ukraine, included:

- 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 reasonable and within the Group's control;
- assessing for reasonableness the assumptions applied in the going concern assessment cash flow forecast, 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 and appropriateness of the model used to prepare the forecasts;
- evaluating management's assessment on 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 resource 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, as detailed in the key audit matter "Contingencies and completeness of litigations and claims";
- we have discussed 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 going concern and the sufficiency of the disclosure;
- we have used component auditors internal 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; and
- assessing the Group's going concern and other related financial statement disclosures.

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 7 components, specified audit procedures on particular aspects and balances on another 6 components and analytical procedures were undertaken on the remaining 15 components.
Materiality	The materiality that we used for the Group financial statements was US$15 million (2023: US$15.6 million). This represents 1.6% of net assets (2023: 3.2% of the three-year average of adjusted profit before tax and 1.4% of net assets). The materiality used for the Parent Company financial statements was US$8.3 million (2023: US$8.8 million), which was determined as 2.1% of the Company's net assets (2022: 2%).
Key audit matters	The key audit matters that we identified in the current year relating to the Group and parent Company are: Recurring: • Treatment and likelihood of contingencies, litigations & claims (Group and parent Company) • Taxation – IFRIC 23 and critical judgements of transfer pricing and the international structure (Group only) • Impairment of PPE and other intangible assets (Group only) • Completeness of related party transactions (Group and parent Company) Our assessment of the Group's key audit matters is consistent with 2023 with the exception of Management override of controls, which is no longer considered a key audit matter. However, many of the procedures previously undertaken in this area are now incorporated within our procedures for identifying and assessing potential risks arising from irregularities, including fraud.

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

Key audit matter description	As indicated in Note 30, the Group is subject to a number of legal proceedings. Management has assessed the probability of an outflow of resources in the various proceedings and considered how to account and/or disclose the claims in accordance with IAS 37. The Group has disclosed the legal cases for which it has provided amounts in the financial statements. Our procedures have focused on management's assessment of these claims in line with IAS 37 to conclude as to whether these are deemed probable rather than possible or remote. The two key cases provided for by management are the contested sureties claim and the squeeze-out of minority shareholders which we have directed our attention to. The Group has disclosed the contingencies which exist as a result of past transactions or events in Note 30. Our audit focused on these five key legal claims due to their material impact on the financial statements, being the share freezes, share dispute, the royalty related investigation , the currency control measures imposed in Ukraine and Investigations on use of waste product. Management judgement is involved in assessing the accounting for contingencies and claims. Particular judgement is required in considering the probability of any claim against the Group being successful and we have accordingly designated this as a key audit matter of the audit. The key risk related to the claims and contingencies is mainly associated with the completeness of the disclosure and provisions in the financial statements. We draw attention to Note 30 to the consolidated financial statements which describes the uncertainty in the application of local legislation in Ukraine in respect of the outcome of the proceedings in which the Group is involved. Our opinion is not modified in respect of this matter.
How the scope of our audit responded to the key audit matter	Our work included, but was not restricted to: • We enquired directly and obtained documentation from the Group's internal and external legal advisors and counsel about their assessment of the various claims to evaluate the appropriateness of management's judgements and subsequent conclusions. • We discussed the cases with management, and reviewed correspondence and other documents exchanged between the Group and the other parties involved. • We considered and assessed the likelihood of an outflow of resources arising as a result of each individual claim on the basis of the information obtained. • We used the component auditor's in-house legal expert to review certain cases and conclude on the likelihood of the claims' outcome. • We reviewed the minutes of the board meetings and inspected the Group's legal expenses, in order to ensure all cases have been identified. • We discussed and challenged the disclosures for completeness and accuracy of any financial impact based on our procedures detailed above.
Key observations communicated to the Group's Audit Committee	Based on the procedures performed, nothing has come to our attention that would indicate that the disclosures related to contingencies, litigation and claims are materially misstated and that the recorded provisions in relation to ongoing legal proceedings are not materially appropriate.

TAXATION – IFRIC 23 AND CRITICAL JUDGEMENTS OF TRANSFER PRICING AND THE INTERNATIONAL STRUCTURE

Key audit matter description	A key area in which the Group has applied critical judgement is transfer pricing and international taxation. The Group conducts significant business across the globe through a complex 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 that comply with applicable legislation. The State Tax Service of Ukraine (STS) launched two additional tax audits into the cross-border pricing arrangements with other Group subsidiaries for periods from 2013 to 2017. In addition to the above cases, the State Bureau of Investigations ("SBI") has launched a pre-trial investigation into the sale of iron ore products between Group subsidiaries for the financial years 2013 to 2017. The STS made formal claims for US$51.4million and US$6.2m, against two of the Ukrainian subsidiaries. Due to complexity of the cross-border transactions and the adverse Supreme Court ruling in 2022 regarding the 2015 period, significant judgement is required in applying the transfer pricing and international taxation rules, with the interpretation of the taxpayer differing from that of the tax authorities which leads to uncertainty in the correct tax treatment. It is therefore necessary to determine the probability of any loss particularly in connection with the Ukrainian tax audits in accordance with the IFRIC 23 reporting standard. This matter is described in Note 11 to the financial statements and considered by the Audit Committee on page 122 of the Annual Report. The IFRIC 23 framework can be challenging to apply in the context of international taxation and contentious transfer pricing matters, in particular regarding the fact that the treatment of transfer pricing cases will typically shift from matters of policy and application in an enquiry to matters of evidence and jurisprudence in an adjudication by a court. In an enquiry, a tax authority has the disadvantage of not knowing the full facts and circumstances upfront in the same way as a taxpayer. The framework therefore asks the taxpayer to equalise this dynamic by basing any IFRIC 23 analysis on the assumption that there is no information asymmetry between the taxpayer and the tax authority. Further, in an enquiry, it is accepted that any disagreement will likely be settled by a negotiation in the first instance. There will be many factors to account for in predicting the outcome of a negotiation such as the nature of the dispute as well as wider commercial and policy pressures. The nature of court proceedings is that there is a need for clear adjudication on matters of law and jurisprudence. This means that negotiation does not come into it at all, albeit the parties are free to settle the dispute at any time. Rather the court process is an impartial evidence-based process that involves judges applying the law to the facts. The lower courts will usually resolve points of fact, and the higher courts will usually address points of law. Adjudication of points of law tends to be a more technically involved process whose outcome is extremely difficult to predict. Consequently, the higher the level of court hearing a matter, the more difficult it becomes to apply the IFRIC 23 framework. This is because the highest courts operate at the highest levels of discretion.
How the scope of our audit responded to the key audit matter	Our work included, but was not restricted to: • We have involved transfer pricing and international tax specialists to assess appropriateness of various international matters potentially impacting the Group. In particular, this included the key risk regarding the transfer pricing policies and documentation in place prepared by management. • We have reviewed key correspondence and calculation of the assessed risk with assistance from international tax and transfer pricing specialists. In addition, we have reviewed recent similar cases in Ukraine and the results of the court proceedings. We have relied on experts to assess the risk of an adverse ruling taking place based on their knowledge of the Ukrainian legal system. • The consideration of IFRIC 23 requires the Group to consider the position at each financial year end based upon the information as at that date. We have challenged management and considered a sensitivity analysis upon the application of IFRIC 23 to consider the significant judgements made in relation to both transfer pricing and international taxation matters impacting the Group. This included a detailed IFRIC 23 assessment for the inherent risks in relation to the transfer pricing claims and the international structure.
Key observations communicated to the Group's Audit Committee	Based on the procedures performed, nothing has come to our attention that would indicate that the disclosures related tax provisions are materially misstated and that the results of our audit regarding transfer pricing and international taxation were satisfactory.

IMPAIRMENT OF PPE

Key audit matter description	Due to the ongoing war in Ukraine, management does not expect the Group to be operating and trading at full capacity for an uncertain period in the future, resulting in reduced expected cash flows from the Group's assets over the period of uncertainty. The calculation of the value in use to assess the recoverable amount of the Group's cash generating unit ("CGU") as at the year-end date is derived from management long-term model and is driven by a number of key inputs which are obtained either from external sources or management's best estimates. Therefore, this is an area subject to a high level of estimation uncertainty and judgement. We draw attention to Note 13 to the consolidated financial statements which describes the uncertainty related to the estimate of the recoverable amount of the Group's Cash Generating Unit. Our opinion is not modified in respect of this matter.
How the scope of our audit responded to the key audit matter	Our work included, but was not restricted to: • Reviewed the mathematical accuracy of the value in use calculation to identify any computational errors that may have fed into the forecasts. • We have challenged management as to the source and selection of the data used in the Group's Long-Term cash flow model forecasts to ensure that these are relevant and reasonable in light of the Group's circumstances and the ongoing war in Ukraine. • We have challenged the key judgements and assumptions underpinning the forecasts to ensure that these are appropriate and reasonable based on our understanding of the Group's circumstances and the ongoing war in Ukraine. • We have reviewed, with the help of our external valuation expert, the determination of the discount rate applied in the value in use calculation and considered whether it is reasonable in the Group's circumstances. • We have considered whether the value in use calculation has considered all available relevant information and verified whether it is mathematically accurate. • We have considered whether the assets included in the carrying amount of the GCU were accurate and verified the amount of the impairment loss. We have considered whether, in light of the current situation in Ukraine, any of the previously recorded impairment loss should be reversed in line with IAS 36. We considered in detail whether the events reported in Note 35 Events after the reporting period were adjusting or non-adjusted events for the purpose of the impairment review. We have reviewed the disclosures in respect of the impairment assessment including the appropriateness of the sensitivities detailed and the accuracy of their financial impact.
Key observations communicated to the Group's Audit Committee	Based on the procedures performed, nothing has come to our attention that would indicate that the disclosures related to impairment of PPE are materially misstated and we concur with managements conclusions to recognise an impairment in the year of $71,170 thousand in the consolidated financial statements. We also concur with management's assessment that events occurring after the reporting period were non-adjusting.

COMPLETENESS OF RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

Key audit matter description	The Group enters into a number of related party transactions and has reported an expense of US$29.9 million (2023: US$17.2 million) and other income of US$0.3 million (2023: US$0.3 million) in 2024. Our risk assessment and audit approach reflected the identification of a significant risk in respect of the existence of unidentified or undisclosed related parties and transactions, including the risk relating to significant transactions outside the normal course of business that could involve related parties. We therefore considered completeness of related party transactions to be a key audit matter in light of the potential for unidentified or undisclosed related party transactions. This risk was considered greatest in respect of transactions outside the normal course of business. The related party disclosures are set out in Note 34 to the Financial Statements and the Group's controls are described in the Report of the Audit Committee on page 124.
How the scope of our audit responded to the key audit matter	Our work included, but was not restricted to: • We reviewed and evaluated management's process for identifying and recording related parties into its register and recording transactions with those related parties. • We reviewed the minutes of meetings of the Board of Directors and relevant sub-committees to assess whether there are new related party transactions entered into in 2024 that are significant or outside the normal course of business. • We used our data analytics tool to search for transactions with related parties which had not been included in the related party disclosures. • We completed a reconciliation of related party transactions extracted from management's system for the related party disclosures to ensure that it was complete. • We tested a sample of suppliers in Ukraine to establish whether they are genuine businesses against information held on public record. • We performed independent searches of the Board of Directors' other appointments and shareholdings and to identify any counterparties on the list which were not included in the related party disclosures. • We obtained representation from the Board of Directors as to the completeness of the list of related parties and transactions with those related parties. • We reviewed the Related Party disclosures in the Financial Statements against the relevant reporting requirements and the results of our work.
Key observations communicated to the Group's Audit Committee	Based on the procedures performed, nothing has come to our attention that would indicate that the disclosures related to related party transactions are materially misstated.

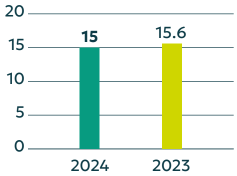
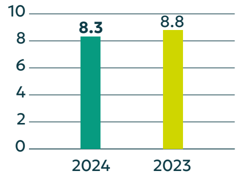
OUR APPLICATION OF MATERIALITY

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	**Group materiality** (US$ Million)  Overall Materiality amounting to US$15 million (2023: US$15.6 million)	**Parent Company materiality** (US$ Million)  Overall Materiality amounting to US$8.3 million (2023: US$8.8 million)
Performance materiality	We set our 2024 performance materiality at 60% of overall materiality (2023: 60%), amounting to US$9 million (2023: US$9.4 million)	We set our 2024 performance materiality at 60% of overall materiality (2023: 60%), amounting to US$4.9 million (2023: US$5.3 million)
How we determined it	We have applied our revised approach to determining materiality which is based on the net assets balance sheet metric. We then verified whether the calculated overall materiality was in a suitable range under our global audit methodology in respect of the three-year average of adjusted profit before tax benchmark We have determined materiality of US$15 million on the basis of our professional judgement which represents: • 1.6% of net assets • (2023: 3.2% of a three-year average of adjusted profit before tax & 1.4% of net assets)	2.1% of Parent Company's net assets (2023: 2% 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 long-term profitability, asset recoverability, and valuation. The materiality level calculated based on net assets falls within the thresholds set under our global audit methodology and has been assessed as appropriate. **Net assets benchmark** The war in Ukraine has led to an overall reduction in the Group's activity and profitability. However, the Group's asset base remains reflective of pre-war business levels, and stakeholders' focus has shifted towards long-term profitability, asset recoverability, and valuation, which are not adequately captured by a short-term profit-based benchmark. 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.

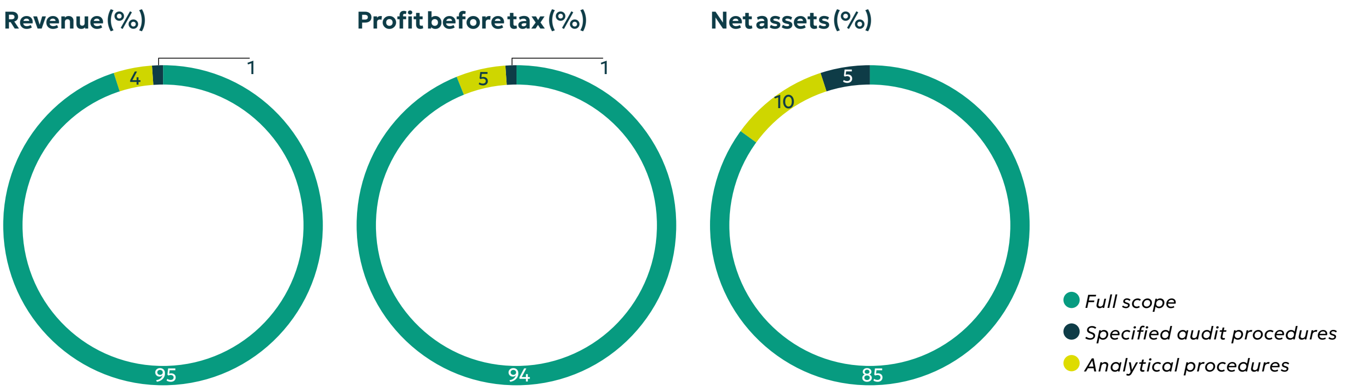
We agreed to report any corrected or uncorrected adjustments exceeding US$0.8 million (2023: US$0.8 million) and US$0.4 million (2023: US$0.4 million) in respect of the Group and Parent Company respectively to the Audit Committee as well as differences below this threshold that in our view warranted 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 revenue (99% of Group total), loss before tax (99% of Group total) and net assets (95% of Group total).

The remaining 15 components collectively represent 5% of the Group's net assets, with each individual component contributing no more than 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$1.25 million to US$7.1 million (2023: US$1.1 million to US$5.5 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 supplemented 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 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 managements 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 DIRECTOR'S 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 page 156-158;
- Directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why they period is appropriate set out on page 95;
- Directors' statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 96;
- Directors' statement on fair, balanced and understandable set out on page 159;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 95;
- Section of the Annual Report and Accounts that describes the review of effectiveness of risk management and internal control systems set out on page 124; and
- Section describing the work of the Audit Committee set out on pages 118-120.

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
- certain disclosures of Directors' Remuneration specified by law are not made; 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.

DIRECTOR'S REMUNERATION REPORT

Those aspects of the Director's Remuneration Report which are required to be audited have been prepared in accordance with applicable legal requirements.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

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 information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement set out on page 159, 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 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 and sector 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 Company 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;
  - 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;
  - enquiry of management and legal advisors around actual and potential litigation and claims;
  - 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 transactions and balances;
  - the audit team in Ukraine visiting the mines in December 2024 and observing the progress of key capital projects, the mining operations, and physical verification of the inventory; and
  - the use of 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 Directors on 23 May 2024. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 6 years.

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. As required by the Financial Conduct Authority ("FCA") Disclosure Guidance and Transparency Rule ("DTR") 4.1.14R, these financial statements form part of the European Single Electronic Format ("ESEF") prepared Annual Financial Report filed on the National Storage Mechanism of the UK FCA in accordance with the ESEF Regulatory Technical Standard (("ESEF RTS"). This auditor's report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

Andrew Moyser FCA FCCA
Senior Statutory Auditor
For and on behalf of MHA
Statutory Auditor
London, United Kingdom
18 March 2025

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

Consolidated Income Statement

US$000	Notes	Year ended 31.12.24	Year ended 31.12.23
Revenue	6	**933,263**	651,795
Operating expenses	5/7	**(1,004,445)**	(616,107)
Other operating income	8	**5,475**	4,067
Operating foreign exchange gains	9	**83,321**	31,371
Operating profit		**17,614**	71,126
Recognition of provisions for legal disputes	30	**–**	(131,117)
Share of profit/(loss) from associates	33	**2,314**	(372)
Profit/(loss) before tax and finance		**19,928**	(60,363)
Net finance expense	10	**(993)**	(104)
Non-operating foreign exchange losses	9	**(39,355)**	(7,934)
Loss before tax		**(20,420)**	(68,401)
Income tax expense	11	**(29,610)**	(16,352)
Loss for the year		**(50,030)**	(84,753)
Loss attributable to:			
Equity shareholders of Ferrexpo plc		**(50,046)**	(84,775)
Non-controlling interests		**16**	22
Loss for the year		**(50,030)**	(84,753)
Loss per share:			
Basic (US cents)	12	**(8.51)**	(14.41)
Diluted (US cents)	12	**(8.51)**	(14.41)

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income

US$000	Notes	Year ended 31.12.24	Year ended 31.12.23
Loss for the year		**(50,030)**	(84,753)
Items that may subsequently be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**(136,926)**	(54,855)
Income tax effect	11	**3,972**	1,479
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		**(132,954)**	(53,376)
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement (losses)/gains on defined benefit pension liability	22	**(7,040)**	899
Net other comprehensive (loss)/income not being reclassified to profit or loss in subsequent periods		**(7,040)**	899
Other comprehensive loss for the year, net of tax		**(139,994)**	(52,477)
Total comprehensive loss for the year, net of tax		**(190,024)**	(137,230)
Total comprehensive loss attributable to:			
Equity shareholders of Ferrexpo plc		**(190,016)**	(137,244)
Non-controlling interests		**(8)**	14
		(190,024)	(137,230)

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Financial Position

US$000	Notes	As at 31.12.24	As at 31.12.23
Assets			
Property, plant and equipment	13	**723,918**	826,034
Right-of-use assets	14	**5,029**	6,852
Intangible assets	15	**5,568**	6,368
Investments in associates	33	**6,350**	4,616
Inventories	17	**5,185**	5,883
Other non-current assets	16	**32,456**	38,104
Deferred tax assets	11	**2,258**	10,149
Total non-current assets		**780,764**	898,006
Inventories	17	**192,508**	201,429
Trade and other receivables	18	**39,792**	82,321
Prepayments and other current assets	19	**24,648**	21,380
Income taxes recoverable and prepaid	11	**7,026**	2,432
Other taxes recoverable and prepaid	20	**36,296**	26,291
Cash and cash equivalents	25	**105,919**	115,241
Total current assets		**406,189**	449,094
Total assets		**1,186,953**	1,347,100
Equity and liabilities			
Issued capital	31	**121,628**	121,628
Share premium		**185,112**	185,112
Other reserves	31	**(2,808,904)**	(2,676,294)
Retained earnings		**3,425,751**	3,482,883
Equity attributable to equity shareholders of Ferrexpo plc		**923,587**	1,113,329
Non-controlling interest		**73**	81
Total equity		**923,660**	1,113,410
Lease liabilities	5/26	**419**	1,009
Defined benefit pension liability	22	**22,806**	16,518
Provision for site restoration	23	**3,118**	2,780
Deferred tax liabilities	11	**4,346**	2,729
Total non-current liabilities		**30,689**	23,036
Lease liabilities	5/26	**4,665**	5,939
Trade and other payables	21	**55,781**	35,310
Provisions	30	**115,694**	128,050
Accrued and contract liabilities	24	**29,415**	17,328
Income taxes payable	11	**13,561**	15,202
Other taxes payable	20	**13,488**	8,825
Total current liabilities		**232,604**	210,654
Total liabilities		**263,293**	233,690
Total equity and liabilities		**1,186,953**	1,347,100

The accompanying notes are an integral part of the consolidated financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 18 March 2025 and signed on behalf of the Board.

Lucio Genovese
Executive Chair

Nikolay Kladiev
Chief Financial Officer and Executive Director

Consolidated Statement of Cash Flows

US$000	Notes	Year ended 31.12.24	Year ended 31.12.23
Loss before tax		**(20,420)**	(68,401)
Adjustments for:			
Depreciation of property, plant and equipment, right-of-use assets and amortisation of intangible assets		**60,281**	57,669
Net finance income	10	**(1,440)**	(2,536)
Losses on disposal and liquidation of property, plant and equipment	7	**231**	11
Write-offs and impairments	7	**71,871**	978
Share of (profit)/loss from associates	33	**(2,314)**	372
Movement in allowance for doubtful receivables	18	**(1,731)**	4,403
Movement in site restoration provision	23	**611**	(1,377)
Employee benefits	22	**3,381**	3,518
Share-based payments	28	**320**	830
Recognition of provisions for legal disputes	30	**–**	131,117
Operating foreign exchange gains	9	**(83,321)**	(31,371)
Non-operating foreign exchange losses	9	**39,355**	7,934
Operating cash flow before working capital changes		**66,824**	103,147
Changes in working capital:			
Decrease/(increase) in trade and other receivables		**36,136**	(71,946)
(Increase)/decrease in inventories		**(10,856)**	15,930
Increase in trade and other payables (including accrued and contract liabilities)		**36,922**	6,724
(Increase)/decrease in other taxes recoverable and payable (including VAT)	20	**(10,658)**	62,554
Cash generated from operating activities		**118,368**	116,409
Interest paid		**(815)**	(223)
Income tax paid	11	**(23,278)**	(12,779)
Post-employment benefits paid		**(2,373)**	(2,238)
Net cash flows from operating activities		**91,902**	101,169
Cash flows used in investing activities			
Purchase of property, plant and equipment and intangible assets	13/15	**(101,688)**	(101,247)
Proceeds from disposal of property, plant and equipment and intangible assets		**70**	91
Interest received		**3,960**	4,608
Dividends from associates		**131**	–
Net cash flows used in investing activities		**(97,527)**	(96,548)
Cash flows used in financing activities			
Principal elements of lease payments	26	**(5,616)**	(5,410)
Dividends paid to equity shareholders of Ferrexpo plc	12	**(46)**	(456)
Net cash flows used in financing activities		**(5,662)**	(5,866)
Net decrease in cash and cash equivalents		**(11,287)**	(1,245)
Cash and cash equivalents at the beginning of the year		**115,241**	112,945
Currency translation differences		**1,965**	3,541
Cash and cash equivalents at the end of the year	25	**105,919**	115,241

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

US$000	Issued capital (Note 31)	Share premium (Note 31)	Other reserves (Note 31)	Retained earnings	Total capital and reserves	Non-controlling interests (Note 32)	Total equity
	Attributable to equity shareholders of Ferrexpo plc						
At 1 January 2023	121,628	185,112	(2,636,891)	3,580,329	1,250,178	67	1,250,245
Loss for the year	–	–	–	(84,775)	(84,775)	22	(84,753)
Other comprehensive loss	–	–	(53,368)	899	(52,469)	(8)	(52,477)
Total comprehensive loss for the year	–	–	(53,368)	(83,876)	(137,244)	14	(137,230)
Share-based payments (Note 28)	–	–	830	–	830	–	830
Equity dividends paid to shareholders of Ferrexpo plc (Note 12)	–	–	–	(435)	(435)	–	(435)
Effect from transfer of treasury shares (Note 31)	–	–	13,135	(13,135)	–	–	–
At 31 December 2023	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 paid 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**

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 dividends paid 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 and it is a member of the FTSE 250 Index. 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, 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 provides top-off services. 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-Plavninske-Lavrykivske ("GPL") and Yerystivske deposits.

Despite the ongoing war in Ukraine, the Group has managed to continue its operations throughout the financial year 2024 in a difficult and challenging business environment. The continued Russian attacks on power generation and distribution facilities in Ukraine during the financial year 2024 has had a negative impact on the Group's production costs and volumes. The higher production costs at lower realised prices meant that the Group had to further optimise its production volumes to manage the working capital outflow to maintain its liquidity. Although the availability of certain logistics networks improved during the 2024 financial year, costs remained significantly higher than before the start of the war. As a result of these ongoing challenges, the mining and processing plans still had to be aligned with the currently possible sales in the various markets, taking also into account the different realisable margins. 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, processing and logistics operations 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 Fevamotinico S.a.r.l. ("Fevamotinico"), a company incorporated in Luxembourg. Fevamotinico is ultimately wholly owned by The Minco Trust, of which Kostyantin Zhevago ("Mr Zhevago") and two other members of his family are the beneficiaries. At the time this report was published, Fevamotinico held 49.3% (49.3% as at the time of publication of the 2023 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***. 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 are included in the disclosure notes to the specific financial statement accounts.

GOING CONCERN

As at the date of the approval of these consolidated financial statements, the war in Ukraine is still ongoing and, during the financial year, the Group continued to demonstrate its resilience and flexibility from an operating perspective, although the ongoing war continues to affect its financial results. The situation in Ukraine is unpredictable and continues to require the Group to be extremely flexible, as mining operations and production have to be adapted to the prevailing conditions. The regained access to Ukrainian Black Sea ports enabled the Group to expand its sales activities and increase its production to the highest level since the full-scale invasion of Ukraine in February 2022.

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 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). 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.

The Group's production volume is dependent on a constant power supply in Ukraine, which was affected during 2024 by Russian attacks on power generation and transmission infrastructure in Ukraine, which has, together with higher than expected prices for energy and input materials, especially for electricity imported from EU countries, an impact on the Group's cash flow generation and profitability. The Group's ability to operate its assets also depends on sustainable and sufficient supply of other key input materials required for the mining and production processes as well as maintaining an adequate number of experienced and skilled members of the workforce in Ukraine.

Despite the continued challenging situation during the financial year 2024, the Group increased its total commercial production to 6,890 thousand tonnes of iron ore pellets and concentrate, representing an increase of 66% compared to 4,152 thousand tonnes during the financial year 2023. While the Group's net cash position benefited from the higher production and sales volumes in 2024, the weaker market resulted in a turbulent price environment for iron ore products and higher prices for input materials and energy started in the second half of the year to deteriorate the Group's margin and cash flow generation. As a result, the Group's net cash position decreased from US$108,293 thousand at the beginning of the year to US$ 100,726 thousand as at 31 December 2024. Despite lower margins realised, the Group continued investment in sustaining and development capital expenditure projects to ensure asset integrity and future efficiency gains.

As at the date of the approval of these consolidated financial statements, the Group is in a net cash position of approximately US$41,017 thousand with an available cash balance of approximately US$45,471 thousand. In addition to the available cash balance, the Group has an outstanding trade receivable balance of approximately US$43,421 thousand from its pellet and concentrate sales, which are expected to be collected in the next few months, and finished goods already stockpiled of 412 thousand tonnes at different ports or storage locations other than the plant.

NOTE 2: BASIS OF PREPARATION CONTINUED

As disclosed in the Group's 2023 Annual Report & Accounts, the ongoing war in Ukraine and other circumstances facing 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 could have a material negative impact on the Group's business activities and reputation. In addition to the material uncertainties related to the ongoing war in Ukraine and the legal disputes in Ukraine, there are number of events after the reporting period that could have an impact on the Group's business activities and its ability to continue as a going concern. For further details, see Note 35 Events after the reporting period.

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 throughout the financial year 2024 and the first months of 2025. Although the management is of the opinion that this claim is without merit, the full provision in the amount of UAH4,727 million (US$112,457 thousand as at 31 December 2024), which was recorded as at the end of the previous year, 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 represents a material uncertainty in terms of 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 liquidity. In addition to this claim and as announced on 4 February 2025, the Group's subsidiary Ferrexpo Poltava Mining ("FPM") has received a civil claim seeking joint liability of FPM and its General Director for damages amounting to UAH157 billion (approximately US$3.8 billion as at 14 March 2025) in favour of the Ukrainian state (see Note 30 Commitments, contingencies and legal disputes for further details). This claim is related to an initial accusation on the illegal sale of waste products, which have transformed into accusations that FPM is illegally mining and selling subsoil (minerals other than iron ore), which is said to have caused damage to the environment. FPM rejects these allegations in their entirety on the basis that there was no illegal extraction of the subsoil. FPM mines and extracts iron ore according to its mining licence and provides for the removal of rock and its storage as a waste in addition to the extraction of iron ore. The 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.

As disclosed in Note 35 Events after the reporting period, on 12 February 2025, personal sanctions have been imposed on Mr Zhevago by Ukrainian authorities. Although, no sanctions have been imposed on any member of the Group, the personal sanctions on Mr Zhevago might have implications on the Group's operation, such as additional challenges with taxes, including refusal of VAT refunds, which could have an impact on the Group's ability to continue as a going concern. As it is likely that the Group's subsidiaries in Ukraine will not receive VAT refunds until the sanctions against Mr Zhevago are lifted, the Group has adjusted its long-term model to reflect the lower expected cash flow generation caused by the potential absence of VAT refunds in Ukraine to minimise the impact on the available cash balance throughout the period of the going concern assessment. In addition and connected 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 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 and the proper authority should be the Ministry of Justice of Ukraine. A nationalisation of 49.5% of shares in FPM and certain of its assets is expected to 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. In addition, a nationalisation of 49.5% of shares in FPM will have an impact on the equity attributable to the shareholders of Ferrexpo plc and its future distributable reserves because Ferrexpo AG would not be entitled to dividends in relation to the nationalised 49.5% of shares in FPM. See Note 12 Earnings per share and dividends paid and proposed for further details.

As disclosed in Note 35 Events after the reporting period, on 4 March 2025, the SBI also 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"). This transfer is in connection with ongoing proceedings against Mr Zhevago relating to Bank F&C, as disclosed in detail on pages 222 and 223 of Note 30 Commitments, contingencies and legal disputes. Under the Ukrainian Criminal Procedure Code, the ARMA can accept into its management a piece of property that has been arrested only to preserve real evidence. Corporate rights in a Ukrainian company cannot constitute real evidence as they cannot be treated as material objects. Therefore, based on independent legal advice from Ukrainian counsel, the transfer of these corporate rights into the ARMA's management is illegal. As at the date of the approval of these consolidated financial statements, the Group has not been provided with a copy of the relevant court decision of the Pecherskyi District Court of Kyiv and therefore the precise details of the court decision are not known to the Group. However, based on independent legal advice from Ukrainian counsel, management understands that FAG remains the 100% owner of FPM and management does not expect that the transfer of 49.5% of the corporate rights in FPM to ARMA will affect FPM's operations or the Group's ability to continue as a going concern. Asset management is carried out on the basis of the management agreement concluded between ARMA and a selected manager. Based on article 21 of the Law on ARMA, in those cases where the temporary management is established over shares, the manager is obliged to coordinate the exercise of assumed powers at the shareholders meeting with the owner of the shares. This rule suggests that the manager cannot vote at the shareholders meeting on its own, but only with the consent of the owner, Ferrexpo AG. However, a transfer of 49.5% of the corporate rights in FPM to ARMA for management of these corporate rights will have an impact on the equity attributable to the shareholders of Ferrexpo plc and its future distributable reserves. See Note 12 Earnings per share and dividends paid and proposed for further details.

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, which are still adversely affected by production volumes lower than those before the war commenced. Considering the expected impact caused by the sanctions imposed on Mr Zhevago, the Group updated its long-term model and plans to mitigate the impact of the likely absence of VAT refunds in Ukraine by significantly reducing its operation in 2025 and 2026, compared to the model in place before the sanctions have been imposed on Mr Zhevago on 12 February 2025.

The updated base case of the financial long-term model shows that the Group has reasonably sufficient liquidity to continue its operations at a reduced level throughout the entire period of the management's going concern assessment, covering a period of 18 months from the date of the approval of these consolidated financial statements. However, the Group's available cash balance for the period twelve months after the approval of these consolidated financial statements also depends on the time at which the VAT refund is resumed The updated base case assumes a pellet production volume of approximately 36% of the pre-war level for the financial year 2025, before an increase to approximately 47% in 2026 and an expected recovery to almost the pre-war levels in 2027. The update of the long-term model resulted in a delay of the expected ramp-up to almost the pre-war level by one year, which was expected to be 2026 in the previous model, and a significantly lower cash flow generation, affecting also the available cash balances throughout the period of the going concern assessment. In addition, the production and sales volumes are also dependent on a constant power supply, the logistics network available to the Group and other potential negative effects on the Group's business activities as a result of the ongoing war.

NOTE 2: BASIS OF PREPARATION CONTINUED

The Group's cash flow generation is most sensitive to price changes. The sensitivities prepared for reasonable adverse changes, with a focus on the expected realised prices, show negative available liquidity balances under some scenarios in late 2025, before any actions taken, such as a further reduction of the operating expenditures and the Group's mining activities. With the significant reduction of the Group's operation in the updated long-term model, the available mitigating actions also reduced significantly. The mitigating actions under the control of the management are estimated to be approximately US$14,000 thousand for the first 12 months and US$47,000 thousand until 31 December 2026 and are considered to be sufficient to offset negative effects from reasonable adverse changes. There are further potential mitigating actions, which are however not fully under the control of the management, which are further explored. Considering the tight balances of available cash under the base case and realised price sensitivity, the available cash balance is expected to be depleted earlier than in late 2025, when combining the effects from reasonable adverse changes (stress test). 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 in combination as a result of the historical natural hedge between iron ore prices and prices for key input materials.

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

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 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 the management's control for identified uncertainties; and

iv) the legal merits in terms of the ongoing legal dispute regarding the above mentioned contested sureties and potential future actions available to protect the interests of the Group in case of a negative decision from the Supreme Court,

there remains a material uncertainty that may cast significant doubt about the Group to continue as a going concern in respect of the ongoing war and legal disputes in Ukraine, including the contested sureties claim, the assumption that VAT refunds will be no longer withheld and will be available to the Group over the course of 2026 and the risk of nationalisation 49.5% of shares in FPM and certain of its assets, which are outside of management's control, with the duration and the impact of the war still unable to be predicted, and 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.

In respect of the contested sureties claim mentioned above, the next hearing before the Supreme Court is scheduled for 21 March 2025. As at the date of the approval of these consolidated financial statements, no decision has been made by the Supreme Court in the contested sureties claim. If the Supreme Court rules in favour of the claimants in this case, the commencement of the enforcement procedures could potentially have a material negative impact on the Group's business activities and its ability to continue as a going concern. In terms of the claim received for the accused illegal mining and selling subsoil (minerals other than iron ore), the next hearing is scheduled for 19 March 2025 and it can be assumed that this will be a lengthy process. However, considering the magnitude of the subsoil claim, a final decision by the Supreme Court, after potential negative decisions in the lower courts in Ukraine, could have a negative impact on the Group's ability to continue as a going concern. See Note 30 Commitments, contingencies and legal disputes for further information, which should be read in conjunction with this note.

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 for further information.

Considering the current situation of the ongoing war and legal disputes in Ukraine and the events after the reporting period described above, the Group continues to prepare its consolidated financial statements on a going concern basis. This conclusion is based on the Group's ability to swiftly adapt to changing circumstances cause by the war and the independent legal advice received for the ongoing legal disputes in Ukraine However, as explained above, many of the identified uncertainties in respect of the ongoing war and legal disputes are outside of the 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 2023 Responsible Business Report and 2023 Climate Report, both 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. See Going concern on pages 178 to 180 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, mainly in Ukraine.

NOTE 2: BASIS OF PREPARATION CONTINUED

Physical risks

The Group is aware of the potential increased risks that climate change could pose to its assets in Ukraine. However, 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.

Transition risks

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. The Group is already 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 2024 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 absence of any significant commitments for processing and mining equipment as at 31 December 2024, 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.

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.

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 will be updated as soon as there is more clarity about the current situation in Ukraine and the exact path of decarbonisation of the Group, including commitments made 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 44 to 55. See also the Group's Principal Risk section on page 94 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 assets acquired and liabilities (including contingent liabilities) assumed on the basis of fair values at the date of acquisition.

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 accounts, 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 2023 except for the adoption of new standards, interpretations and amendments to UK adopted IFRS effective as at 1 January 2024.

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED WITHOUT AN IMPACT ON THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS

Amendments to IAS 1 *Presentation of Financial Statements* provide guidance on the classification of liabilities with covenants, and further clarify the classification criteria for liabilities as either current or non-current.

Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements to understand the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Amendments to IFRS 16 *Leases* specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

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 IAS 21 Lack of Exchangeability were issued in August 2023 and are effective for annual reporting periods beginning on or after 1 January 2025. The amendments specify how to assess whether a currency is exchangeable and how to determine a spot exchange rate if it is not. The Group does not expect a material impact on its financial statements because of these amendments.

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 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 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 a company's financial performance. It also requires a reconciliation between the MPMs and the most directly comparable totals or subtotals specified by IFRS Accounting Standards is also required to provide transparency on the entity-specific performance measures. Beyond that, 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 also enhances the general and specific requirements for aggregation and disaggregation to help a company 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 is currently examining the effects of this new standard on its annual financial statements.

New standard IFRS 19 Subsidiaries without Public Accountability: Disclosures was published by the International Accounting Standards Board (IASB) on 9 May 2024. The new standard will be effective for annual reporting periods beginning on or after 1 January 2027. IFRS 19 is a new voluntary reduced disclosure framework that sets out reduced disclosure requirements that is intended to maintain the usefulness of the financial statements for users. It will permit subsidiaries with a parent that applies IFRS Accounting Standards in its consolidated financial statements to apply IFRS Accounting Standards with reduced disclosure requirements. The Group is currently examining the effects of this new standard on its annual financial statements.

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 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 disclosure notes:

CRITICAL ESTIMATES

- Note 13 Property, plant and equipment – impairment consideration as a result of the ongoing war in Ukraine

The most critical estimate made by the management is in respect of the timing of when the Group's operation is expected 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 4: USE OF CRITICAL ESTIMATES AND JUDGEMENTS CONTINUED

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 2024.

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 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

NOTE 5: SEGMENT INFORMATION

The Group is managed as a single segment, which produces, develops and markets its principal product, iron ore pellets, 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 31.12.24	Restated Year ended 31.12.23
Profit/(loss) before tax and finance		**19,928**	(60,363)
Losses on disposal and liquidation of property, plant and equipment		**231**	11
Share-based payments	28	**320**	830
Write-offs and impairments	7	**71,871**	978
Recognition of provisions for legal disputes	30	**–**	131,117
Depreciation and amortisation		**60,281**	57,669
Operating foreign exchange losses		**(83,321)**	(31,371)
Underlying EBITDA		**69,310**	98,871

US$000	Notes	Year ended 31.12.24	Year ended 31.12.23
Revenue	6	**933,263**	651,795
Cost of sales	7	**(597,438)**	(362,495)
Gross profit		**335,825**	289,300

NET CASH

Net cash as defined by the Group comprises cash and cash equivalents less lease liabilities.

US$000	Notes	As at 31.12.24	As at 31.12.23
Cash and cash equivalents	25	**105,919**	115,241
Lease liabilities – current	26	**(4,665)**	(5,939)
Lease liabilities – non-current	26	**(419)**	(1,009)
Net cash		**100,835**	108,293

Net cash is an APM. Further information on the APMs used by the Group, including the definitions, is provided on pages 240 and 241.

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.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of discounts, customs duties and sales taxes. 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 needs 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 2024 consisted of the following:

US$000	As at 31.12.24	As at 31.12.23
Revenue from sales of iron ore pellets and concentrate	**831,807**	598,909
Freight revenue related to sales of iron ore pellets and concentrate	**49,691**	652
Total revenue from sale of iron ore pellets and concentrate	**881,498**	599,561
Revenue from logistics and bunker business	**46,139**	45,343
Revenue from other sales and services provided	**5,626**	6,891
Total revenue	**933,263**	651,795

NOTE 6: REVENUE CONTINUED

The Group's sales of iron ore pellets and concentrate are still impacted by the ongoing war in Ukraine as it was also the case for the comparative year ended 31 December 2023. As a result of the ongoing war in Ukraine, the Group's seaborne sales through the Ukrainian Black Sea ports had been suspended since the beginning of the war, but resumed again in January 2024, albeit still at a significantly lower level and at higher costs due to war-related risk premiums to be paid.

Revenue for the comparative year ended 31 December 2023 includes the effect from the derecognition of contract liabilities of US$75 thousand that were deferred as revenue in the previous year ended 31 December 2022, as the performance obligations were not fulfilled. There is no such effect for the year ended 31 December 2024 due to the absence of sales under the Incoterm CFR as at 31 December 2023. As at 31 December 2024, freight-related revenue in the amount of US$2,799 thousand (2023: nil) was deferred as the performance obligations were not fulfilled and included in the balance of the contract liabilities. See Note 24 Accrued and contract liabilities for further information.

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 31.12.24	Year ended 31.12.23
Europe, including Turkey	**668,425**	599,869
Austria	***237,092***	*258,853*
Czech Republic	***97,612***	*115,873*
Turkey	***123,615***	*122,556*
Germany	***127,500***	*64,981*
Others	***82,606***	*37,606*
China & South East Asia	**148,363**	(83)
China	***138,551***	*(83)*
Others	***9,812***	–
Middle East & North Africa	**64,710**	(225)
Total revenue from sale of iron ore pellets and concentrate	**881,498**	599,561

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 242 and 243. The Group's sales of iron ore pellets and concentrate were still significantly impacted by the ongoing war in Ukraine during the financial years 2024 and 2023. The Group's seaborne sales through the Ukrainian Black Sea ports had been suspended since the beginning of the war, but resumed again during the financial year 2024, albeit still at a significantly lower level and at higher costs due to war-related risk premiums to be paid.

During the year ended 31 December 2024, sales made to four customers accounted for 62% of the revenues from sales of iron ore pellets and concentrate (2023: 90%).

Sales to customers that individually represented more than 10% of total sales in either current or prior year are as follows:

US$000	Year ended 31.12.24	Year ended 31.12.23
Customer A	**237,092**	258,853
Customer B	**123,615**	109,661
Customer C	**97,612**	115,873
Customer D	**92,354**	57,288

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.

Operating expenses for the year ended 31 December 2024 consisted of the following:

US$000	Year ended 31.12.24	Year ended 31.12.23
Cost of sales	597,438	362,495
Selling and distribution expenses	246,300	161,315
General and administrative expenses	68,974	63,509
Other operating expenses	91,733	28,788
Total operating expenses	**1,004,445**	616,107

Total operating expenses include:

US$000	Year ended 31.12.24	Year ended 31.12.23
Inventories recognised as an expense upon sale of goods	566,526	339,349
Employee costs (excl. logistics and bunker business)	85,435	73,924
Inventory movements	4,961	3,910
Depreciation of property, plant and equipment and right-of-use assets	59,392	56,294
Amortisation of intangible assets	889	1,375
Royalties	32,187	24,693
Costs of logistics and bunker business	54,991	57,739
Audit and non-audit services	2,239	1,924
Community support donations	4,319	3,781
Write-offs and impairments	71,871	978
Losses on disposal and liquidation of property, plant and equipment	231	11

US$000	Notes	As at 31.12.24	As at 31.12.23
Write-off of inventories		81	177
Write-off of property, plant and equipment	13	155	606
Write-off of receivables and prepayments		–	195
Total write-offs		**236**	978
Impairment of property, plant and equipment	13	71,635	–
Total impairments		**71,635**	–
Total write-offs and impairments		**71,871**	978

NOTE 7: OPERATING EXPENSES CONTINUED

AUDITOR REMUNERATION

US$000	Year ended 31.12.24	Year ended 31.12.23
Audit services		
Ferrexpo plc Annual Report and Accounts	**1,464**	1,334
Subsidiary entities	**328**	317
Total audit services	**1,792**	1,651
Audit-related assurance services	**309**	273
Total audit and audit-related assurance services	**2,101**	1,924
Non-audit services		
Other services	**138**	–
Total non-audit services	**138**	–
Total auditor remuneration	**2,239**	1,924

Auditor remuneration paid is in respect of the audit of the financial statements of the Group and its subsidiary companies 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.

Other income for the year ended 31 December 2024 consisted of the following:

US$000	Year ended 31.12.24	Year ended 31.12.23
Gains on sale of current assets	**2,566**	1,086
Compensation from insurances	**1,286**	725
Lease income	**837**	637
Other income	**786**	1,619
Total other income	**5,475**	4,067

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 translation of interest-bearing loans and borrowings denominated in currencies different from the respective functional currencies and 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 2024 consisted of the following:

US$000	Year ended 31.12.24	Year ended 31.12.23
Operating foreign exchange gains/(losses)		
Conversion of trade receivables	**83,588**	31,685
Conversion of trade payables	**(283)**	(177)
Others	**16**	(137)
Total operating foreign exchange gains	**83,321**	31,371
Non-operating foreign exchange gains/(losses)		
Conversion of interest-bearing loans	**(37,591)**	(11,740)
Conversion of cash and cash equivalents	**673**	1,895
Others	**(2,437)**	1,911
Total non-operating foreign exchange losses	**(39,355)**	(7,934)
Net foreign exchange gains	**43,966**	23,437

NOTE 9: FOREIGN EXCHANGE GAINS AND LOSSES CONTINUED

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 has generally 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, are included in the translation reserve. See Note 31 Share capital and reserves for further details.

The Ukrainian hryvnia devalued from 37.982 to 42.039 compared to the US dollar during the year ended 31 December 2024. The local currency was unchanged at 36.568 from 21 July 2022 to 30 September 2023, before depreciating to 37.982 during the last quarter of 2023. 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.

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	
Against US$	As at 31.12.24	As at 31.12.23	Year ended 31.12.24	Year ended 31.12.23
UAH	**40.152**	36.574	**42.039**	37.982
EUR	**0.924**	0.925	**0.963**	0.906

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.

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 2024 consisted of the following:

US$000	Notes	Year ended 31.12.24	Year ended 31.12.23
Finance expense			
Net interest on defined benefit plans	22	**(2,432)**	(2,640)
Bank charges		**(1,304)**	(1,118)
Interest expense on lease liabilities		**(191)**	(85)
Other finance costs		**(1,052)**	(859)
Total finance expense		**(4,979)**	(4,702)
Finance income			
Interest income		**3,979**	4,602
Other finance income		**7**	(4)
Total finance income		**3,986**	4,598
Net finance expense		**(993)**	(104)

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.

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 income tax assets are generally recognised for deductible temporary differences, carry forwards of available unused tax credits and tax losses, 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 2024, which is consistent with the application during the comparative financial year 2023.

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$51,428 thousand as at 31 December 2024), including fines and penalties, and UAH259 million (US$6,161 thousand as at 31 December 2024), respectively.

The two claims received are in relation to cross-border transactions for iron ore products 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, the hearings on the merits before the court of first instance took place in November 2024, followed by several hearings later 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. As at the date of the approval of these consolidated financial statements, no final court decisions have been made for the claims received by the two Ukrainian subsidiaries of the Group totalling UAH2,162 million (US$51,428 thousand as at 31 December 2024) and UAH259 million (US$6,161 thousand as at 31 December 2024) and, as a consequence, no specific provisions have been recorded as at 31 December 2024, neither for the two claims received nor for any potential claims for 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.

NOTE 11: TAXATION CONTINUED

Separate from the cases mentioned above, 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 products 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, but 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. 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 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 2024 consisted of the following:

US$000	Year ended 31.12.24	Year ended 31.12.23
Current income tax		
Current income tax charge	18,784	12,672
Amounts related to previous years	2,374	(1,601)
Total current income tax	21,158	11,071
Deferred income tax		
Origination and reversal of temporary differences	8,452	5,281
Total deferred income tax	8,452	5,281
Total income tax expense	29,610	16,352

Tax effects on items recognised in other comprehensive income consisted of the following for the year ended 31 December 2024:

US$000	Notes	Year ended 31.12.24	Year ended 31.12.23
Tax effect of exchange differences arising on translating foreign operations	31	(3,972)	(1,479)
Total income tax effects recognised in other comprehensive credit		(3,972)	(1,479)

NOTE 11: TAXATION CONTINUED

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 2024 was 15.0% before the effect from the recognised impairment loss of US$71,635 thousand in the consolidated income statement (2023: 11.7% before the effect of the recognised provisions for legal disputes of US$131,177 thousand). 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 2024 is as follows:

US$000	Year ended 31.12.24	Year ended 31.12.23
Loss before tax	(20,420)	(68,401)
Notional tax credit computed at the weighted average statutory tax rate of 15.0% (2023: 11.7%)	(3,070)	(8,031)
Derecognition of deferred tax assets[1]	7,344	10,505
Expenses not deductible for local tax purposes[2]	3,014	1,721
Income exempted for local tax purposes[3]	(941)	(1,560)
Effect from non-recognition of deferred taxes[4]	18,497	23,601
Effect from non-recognition of deferred taxes on current year losses[5]	1,911	732
Effect of different tax rates[6]	(1,487)	(8,530)
Withholding tax on interest[7]	1,528	–
Prior year adjustments to current tax[8]	2,374	(1,601)
Effect from share of profit from associates[9]	(416)	67
Other (including translation differences)	856	(552)
Total income tax expense	**29,610**	16,352

1. The derecognition in 2024 and 2023 includes the effect from allowances of US$4,418 thousand and US$10,145 thousand, respectively, on deferred tax assets recognised by two of the Group's subsidiaries in Ukraine as a result of uncertainties as some of the temporary differences are not expected to unwind in the near future. A further effect is related to the derecognition of deferred tax assets recognised in 2019 in light of the change of the tax law in Switzerland and the available transitional measures for companies losing the special tax status. The recognised deferred tax assets are utilised on a straight-line basis with a potential positive effect from the amortisation of the step-up goodwill for tax purposes, depending on the profitability of the subsidiaries. Whilst the initial recognition is considered of a non-recurring nature, the utilisation occurred for the last time during the financial year 2024.
2. The 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.
3. The effects in 2024 and 2023 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.
4. The effect in 2024 relates to an impairment loss of US$71,635 thousand and the different treatment of low-grade ore in the amount of US$36,317 thousand in the consolidated accounts and the local statutory accounts of one of the Group's subsidiaries in Ukraine. The effect in 2023 relates to the recognition of provisions totalling US$128,050 thousand for legal disputes in Ukraine. The effect in 2024 is of a potentially recurring nature whereas the one in 2023 is considered to be of a non-recurring nature. In the case that the situation in Ukraine will significantly improve, there is a chance that the impairments losses recorded will reverse in a future period. Such potential positive effects are expected to be tax exempted.
5. The effect relates mainly to a subsidiary in Ukraine. Due to the uncertainty in respect of the timing of the subsidiary becoming profitable for local tax purposes, no deferred tax asset has been recognised. This effect was considered to be of a recurring nature until this subsidiary becomes operative and profitable.
6. The effects relate 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.
7. The effect in 2024 relates to effects of interest paid by subsidiaries in Ukraine, which are subject to withholding tax. No such effects in 2023 as no interest payments were possible under Martial Law imposed in Ukraine. The effect in future years depends on the level of interest payments made.
8. The effect in 2024 primarily relates to additional tax charges in Switzerland related to previous years. The effect in 2023 primarily relates to the reversal of a tax provision recorded in the accounts of one of the Swiss subsidiaries, which was not required as a result of an impairment loss recorded on the Ukrainian subsidiaries in the statutory accounts and the tax treatment was not confirmed at the time of the approval of the Group's consolidated financial statements. This effect is partially offset by withholding tax on a dividend paid by one subsidiary in 2023, which were declared already in 2022. Similar effects, irrespective of the jurisdiction, can also occur in future years.
9. Share of loss or profit from associates is generally recognised net of taxes of the associates. This effect is of a recurring nature.

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 market and foreign exchange rate movements, primarily between the Ukrainian hryvnia and the US dollar. The effective tax rate of the financial year 2024 and 2023 was 33.7% and 26.1%, respectively, after the elimination of exceptional items resulting in losses before tax in both financial years and distorting the effective tax rate. For the financial year 2024, the effects from the impairment loss of US$71,635 thousand and from the extracted low-grade ore of US$36,317 thousand are excluded in order to get a meaningful effective tax rate, compared to the effect of the recognised provisions for legal disputes in the amount of US$131,177 thousand for the comparative year ended 31 December 2023. The excluded items are not tax deductible in Ukraine and no associated deferred tax assets have been recognised.

Without excluding these effects, the effective tax rate for the financial year 2024 would have been 145.0% and 23.9%, both negative due to the losses before tax. Further information is provided in tax rate reconciliation above.

NOTE 11: TAXATION CONTINUED

The net balance of income tax payable changed as follows during the financial year 2024:

US$000	Year ended 31.12.24	Year ended 31.12.23
Opening balance	(12,770)	(15,890)
Charge in the consolidated income statement	(21,158)	(11,071)
Booked through other comprehensive (loss)/income	3,972	1,479
Tax paid	23,278	12,779
Translation differences	143	(67)
Closing balance	**(6,535)**	**(12,770)**

The net income tax payable as at 31 December 2024 consisted of the following:

US$000	As at 31.12.24	As at 31.12.23
Income tax receivable balance	7,026	2,432
Income tax payable balance	(13,561)	(15,202)
Closing balance	**(6,535)**	**(12,770)**

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 2024:

	Consolidated statement of financial position		Consolidated income statement	
US$000	As at 31.12.24	As at 31.12.23	Year ended 31.12.24	Year ended 31.12.23
Property, plant and equipment	235	6,720	(5,740)	(4,747)
Right-of-use assets	–	–	–	(519)
Intangible assets	168	2,050	(1,883)	(1,905)
Inventories	173	648	(416)	462
Trade and other receivables	1,423	1,794	(199)	742
Defined benefit pension liability	863	608	255	149
Other	454	647	117	550
Tax losses recognised	207	262	(55)	7
Total deferred tax assets/change	**3,523**	**12,729**	**(7,921)**	**(5,261)**
Thereof netted against deferred tax liabilities	(1,264)	(2,578)	–	–
Total deferred tax assets as per the statement of financial position/change	**2,259**	**10,151**	**(7,921)**	**(5,261)**
Property, plant and equipment	191	(327)	334	(1,717)
Intangible assets	(465)	(415)	(91)	(47)
Financial assets	(4,186)	(4,127)	(59)	(50)
Lease obligations	–	–	–	592
Inventories	(515)	–	(519)	1,315
Pension assets	(636)	(439)	(196)	(96)
Other	–	–	–	(17)
Total deferred tax liabilities/change	**(5,611)**	**(5,308)**	**(531)**	**(20)**
Thereof netted against deferred tax assets	1,264	2,578	–	–
Total deferred tax liabilities as per the statement of financial position/change	**(4,347)**	**(2,730)**	**(531)**	**(20)**
Net deferred tax (liabilities)/assets and net change	**(2,088)**	**7,421**	**(8,452)**	**(5,281)**

NOTE 11: TAXATION CONTINUED

The movement in the deferred income tax balance is as follows:

US$000	Year ended 31.12.24	Year ended 31.12.23
Opening balance	7,421	13,124
Charge in consolidated income statement	(8,452)	(5,281)
Translation differences	(1,057)	(422)
Closing balance	**(2,088)**	7,421

The net deferred tax liability balance of US$2,088 thousand (2023: net deferred tax asset of US$7,420 thousand) includes net deferred tax liabilities totalling US$3,804 thousand (2023: US$2,529 thousand) related to temporary differences of the Group's corporate entities and net deferred tax assets totalling US$1,799 thousand (2023: US$9,524 thousand) related to temporary differences of the Group's two major subsidiaries in Ukraine. The net deferred tax asset balances of the Ukrainian subsidiaries as at 31 December 2024 and 2023 are after allowances totalling US$22,956 thousand and US$20,577 thousand, respectively. The allowance increased by US$4,387 thousand as at 31 December 2024 and the allowances recorded in previous years was affected by the devaluation of the local currency in Ukraine. The recoverability of the deferred tax assets depends on the level of taxable profits realised by the two subsidiaries in future periods and 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 has been aligned to the period of the going concern assessment. The level of taxable profits in Ukraine depends on many factors, such as the volatility in the global iron pellet market and foreign exchange rate changes, but also on the implications of the ongoing war in Ukraine, mainly in terms of a constant power supply and the logistics network available to the Group.

As at 31 December 2024, the Group had available tax loss carry forwards in the amount of US$83,912 thousand (2023: US$71,405 thousand) for which no deferred tax assets were recognised. Of this balance, US$41,266 thousand (2023: US$42,762 thousand) do not expire and US$40,004 thousand (2023: US$41,513 thousand) are related to losses incurred in Austria and US$1,261 thousand (2023: US$1,249 thousand) in Ukraine. US$27,981 thousand (2023: US$19,802 thousand) expire after seven years or more, of which US$27,979 thousand (2023: US$19,798 thousand) are related to losses incurred in Ukraine and US$2 thousand (2023: US$4 thousand) in Hungary. The remaining balance of US$14,665 thousand (2023: US$8,841 thousand) expires in less than seven years of which US$14,665 thousand (2023: US$8,418 thousand) are related to losses incurred in Hungary and US$423 thousand in the comparative year 2023 in Ukraine.

No deferred tax liabilities have been recognised on temporary differences in the amount of US$315,170 thousand (2023: US$517,838 thousand) arising from undistributed profits from subsidiaries as no distributions are planned.

Other temporary differences of US$491,909 thousand have not been recognised as at 31 December 2024 (2023: US$439,125 thousand). Of those temporary differences, US$67,699 thousand relate to impairments recorded as at the end of the financial year ended 31 December 2024, mainly in respect of the Group's non-current operating assets in Ukraine and US$115,694 thousand (2023: US$128,050 thousand) relate to provisions for legal disputes recorded in Ukraine during the comparative year ended 31 December 2023 and US$175,088 thousand (2023: US$ 186,575 thousand) related to impairments recorded mainly in Ukraine during the financial year ended 31 December 2022; The remaining balance of US$133,429 thousand (2023: US$124,500 thousand) relates to temporary differences for which allowances for recognised deferred tax assets have been recorded.

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 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 does neither recognise nor disclose any information on deferred tax assets and liabilities related to Pillar Two income taxes in its consolidated financial statements for the financial year 2024, which is consistent with the application during the comparative financial year 2023.

Based on the BEPS Pillar Two Global Anti-Base Erosion ("GloBE") Model Rules, the parent company of the Group, Ferrexpo plc with its tax domicile in Switzerland, is the Ultimate Parent Entity ("UPE") and, 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 effective from 1 January 2024. The legislation in Switzerland currently only provides 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 of 1 January 2025 and the implementation of the Undertaxed Profits Rule ("UTPR") is still postponed.

Although the Group's effective tax rate for the financial year 2024 is well above the minimum tax rate of 15.0%, there are two jurisdictions where 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. As a result of the legislation enacted in Switzerland, the Group's subsidiaries in Switzerland are potentially subject to the QDMTT for taxable profits from the financial year 2024, whereas those of the Group's subsidiary in the U.A.E. (Dubai) are neither subject to IIR in any jurisdiction or QDMTT in the U.A.E., as not implemented by the relevant tax jurisdictions. The profits of this subsidiary will potentially become subject to taxation under the IIR in Switzerland as of 1 January 2025, depending on the GloBE Effective Tax Rate ('GloBE ETR').

There was no 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 did therefore not have an impact on the Group's effective tax rate.

Taking also into account the implementation of the IIR in Switzerland and the QDMTT in the U.A.E., the Group's future effective tax rate, before any special 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 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.

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 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.

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 2024.

	Year ended 31.12.24	Year ended 31.12.23
Loss for the year attributable to equity shareholders – per share in US cents		
Basic	**(8.51)**	(14.41)
Diluted	**(8.51)**	(14.41)
Loss for the year attributable to equity shareholders – US$000		
Basic and diluted loss	**(50,046)**	(84,775)
Weighted average number of shares – thousands		
Basic number of ordinary shares outstanding	**588,363**	588,274
Effect of dilutive potential ordinary shares	**11,061**	8,847
Diluted number of ordinary shares outstanding	**599,424**	597,121

DIVIDENDS PROPOSED AND PAID

Taking into account the provisions of the Companies Act 2006 and relevant thin capitalisation rules, the total available distributable reserves of Ferrexpo plc is US$77,500 thousand as at 31 December 2024 (2023: US$119,520 thousand). During the comparative year ended 31 December 2023, the Group announced on 18 January 2024 an interim dividend of 3.3 US cents, which was due for payment to the shareholders on 23 February 2024. Following subsequent and unexpected events in Ukraine relating to a claim against one of the Group's Ukrainian subsidiaries (see Note 30 Commitments, contingencies and legal disputes for further information), the Group announced on 20 February 2024 the decision to withdraw the interim dividend.

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. Distributable profits at subsidiaries' level are also subject to potential impairment losses to be or already recorded in the respective stand-alone statutory financial statements as a result of war-related uncertainties. Certain Group companies are currently restricted from paying dividends outside of Ukraine as a result of 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. As at the comparative year ended 31 December 2023, one of the Group's subsidiaries in Ukraine recognised provisions for legal disputes totalling US$128,050 thousand, reducing the distributable profits of this subsidiary by this amount. The provisions in Ukrainian hryvnia remained unchanged as at 31 December 2024, but the amount in US dollars decreased to US$115,694 thousand as a result of the devaluation of the local currency in Ukraine. Although this subsidiary still has a considerable amount of distributable profits, an outflow of funds in this amount would have an adverse impact on the Group's available liquidity for potential future dividend payments. 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 have an impact on the equity attributable to the shareholders of Ferrexpo plc and its future distributable reserves.

US$000	Year ended 31.12.24
Dividends paid during the year	
Dividends on vested awards	**46**
Total dividends paid during the year	**46**

US$000	Year ended 31.12.23
Dividends paid during the year	
Dividends on vested awards	456
Total dividends paid during the year	456

NOTE 12: EARNINGS PER SHARE AND DIVIDENDS PAID AND PROPOSED CONTINUED

Dividends paid during the financial years 2024 and 2023 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.

NOTE 13: PROPERTY, PLANT AND EQUIPMENT CONTINUED

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.

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 a single cash-generating unit ("CGU"). The recoverable amount of the CGU is determined to be the fair value less cost of disposal. The Group assesses at each reporting date whether there are indications that assets may be impaired or previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the assets' recoverable amounts. If the carrying amount of an asset exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. Impairment losses are recognised in the consolidated income statement.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. In this case, the carrying amount 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

As at the date of the approval of these consolidated financial statements, the war in Ukraine is still ongoing and the duration is difficult to predict.

During the financial year 2024, the Group continued to demonstrate resilience and flexibility from an operating perspective, although the ongoing war continues to affect its financial results.

The situation in Ukraine is unpredictable and continues to require the Group to be extremely flexible, as mining operations and production have to be adapted to the prevailing conditions. The regained access to Ukrainian Black Sea ports enabled the Group to expand its sales activities and increase its production by 66% to the highest level since the full-scale invasion of Ukraine in February 2022. While the Group's cash flow generation benefited from the higher production and sales volumes in 2024, the pressure on prices for iron ore products and higher prices for input material as a result of the ongoing war are expected to adversely affect the Group's cash flow generation in the near future.

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 take into account the estimated future production volumes. Several significant judgements and estimates are used when preparing the financial long-term model of the Group, which are, together with the key assumptions used, 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 financial long-term model was updated in January 2025 using management's best estimate of reasonably conservative key assumptions, taking also into account the current circumstances the Group has to operate in. In terms of the key assumptions used, an average iron ore price of US$107 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 products as well as more specific local supply and demand balances affecting its major customers. The level of the Group's production remains predominantly 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, the production capacity used for the base-case cash flow projection is expected to be approximately 55% of the pre-war level for the financial year 2025, before an increase to approximately 90% in 2026 and an expected recovery to pre-war levels in 2027. There is no perpetual growth rate applied for the cash flow projections beyond the last year covered by the Group's long-term model. 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.

NOTE 13: PROPERTY, PLANT AND EQUIPMENT CONTINUED

An average devaluation of the hryvnia of 4.3% per year was assumed over the next five years in the Group's cash flow projection, with the expected local inflation having an offsetting effect.

The key assumptions used for the preparation of the Group's long-term model are:

Key assumptions	Basis
Future sales and production	Proved and probable reserves and available logistics capacity and power supply
Commodity prices	Contract prices and longer-term price estimates
Capital expenditures	Future sustaining capital expenditures
Cost of raw materials and other production/distribution costs	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 forecasted cash flow generation and the nominal pre-tax discount rate to be applied. The WACC of 23.1% (31 December 2023: 23.0%) is still significantly higher than the pre-war WACC of 13.8% as at 31 December 2021 and reflects the current situation in the country as underlying macro-economic data is still adversely affected by the war in Ukraine.

According to the base case of the Group's impairment test prepared for the 2024 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 intangibles assets and other non-current assets, was US$71,170 thousand below the carrying value of these assets, reflecting the impairment loss recorded in this amount as at 31 December 2024 and allocated to various asset categories within property, plant and equipment. The key assumptions in respect of production and sales volumes, and of production costs, are largely dependent on the easing of the war-related risks facing the Group's business in Ukraine, and therefore a wide range of alternative outcomes are possible, reflecting a high level of uncertainty.

A delay of the recovery of the production and sales volumes to a pre-war level by another year, with all other assumptions remaining unchanged, would reduce the value in use of the Group's non-current operating assets by approximately US$339,200 thousand. A reduction of the realised price by 10% in 2025 and 5% for each year until 2048 would reduce the value in use by approximately US$227,600 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$270,900 thousand whereas every 1.0% increase of the nominal pre-tax discount rate would impact the value in use by approximately US$43,100 thousand, with all other assumptions remaining unchanged.

The impairment loss of US$71,170 thousand is in addition to the impairment loss of US$254,477 thousand recorded during the financial year 2022, of which an amount of US$219,931 thousand was allocated to various asset categories within property, plant and equipment. The impairment losses recorded 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 macro-economic 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.

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$112,457 thousand as at 31 December 2024), in respect of contested sureties. FPM appealed this decision to the Supreme Court of Ukraine and the court proceedings were continued during the financial year 2024 and the first months of 2025. 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 comparative year ended 31 December 2023 in accordance with IAS 37 Provisions, contingent liabilities and contingent assets. If the ruling of the Supreme Court is not in favour of FPM, 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 2024. 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.

Non-adjusting post balance sheet events

As disclosed in Note 35 Events after the reporting period, the sanctions imposed on Mr Zhevago are personal in nature and have not been imposed on any member of the Ferrexpo Group. However, a tax authority may apply an adverse interpretation of sanctions rules and no longer make VAT refunds to any the Group's subsidiaries in Ukraine. It is likely that the Group's subsidiaries in Ukraine will not receive any VAT refunds until these sanctions against Mr Zhevago are lifted. As a consequence, the Group adjusted its long-term model to reflect the lower cash flow generation caused by potential absence of VAT refunds in Ukraine, which would in turn negatively impact the carrying value of the Group's assets in future periods. This event is treated as a non-adjusting post balance sheet event and Note 35 Events after the reporting period provides further information on the possible financial impact.

In addition, as disclosed in Note 35 Events after the reporting period, there is 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. This event is treated as a non-adjusting post balance sheet event and was not considered in the Group's impairment test as at 31 December 2024. 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.

NOTE 13: PROPERTY, PLANT AND EQUIPMENT CONTINUED

As at 31 December 2024, 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 2023	1,499	8,068	207,615	217,206	132,577	387,030	225,863	8,868	413,193	1,601,919
Additions	–	171	–	118	–	1,416	2,901	48	107,439	112,093
Transfers	–	73	121,058	49,253	2,439	29,168	2,749	174	(204,914)	–
Disposals	–	–	(2,453)	(1,714)	5	(1,000)	(162)	(94)	(1,366)	(6,784)
Translation differences	(56)	(306)	(12,329)	(9,240)	2,870	(13,577)	(6,484)	(233)	(12,237)	(51,592)
At 31 December 2023	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)**	**(11,950)**	**(13,015)**
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**
Accumulated depreciation and impairment:										
At 1 January 2023	–	36	89,578	118,593	89,130	247,228	168,156	5,650	75,687	794,058
Depreciation charge	–	3	1,554	9,271	4,433	28,302	14,509	816	–	58,888
Disposals	–	(16)	–	(1,593)	–	(733)	(132)	(90)	(4)	(2,568)
Write-offs and impairments	–	–	–	262	–	28	248	(2)	1,361	1,897
Transfers of impairments	–	–	21,576	8,951	–	5,388	532	35	(36,482)	–
Translation differences	–	–	(3,890)	(4,891)	1,614	(8,766)	(4,712)	(144)	(1,884)	(22,673)
At 31 December 2023	–	23	108,818	130,593	95,177	271,447	178,601	6,265	38,678	829,602
Depreciation charge	**–**	**3**	**8,802**	**14,112**	**4,577**	**23,922**	**7,162**	**679**	**–**	**59,257**
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	**–**	**(3)**	**(11,127)**	**(13,320)**	**(3,457)**	**(23,009)**	**(12,190)**	**(462)**	**(3,566)**	**(67,134)**
At 31 December 2024	**–**	**214**	**121,876**	**144,123**	**99,697**	**285,926**	**177,517**	**6,468**	**57,109**	**892,930**
Net book value:										
At 31 December 2023	1,443	7,983	205,073	125,030	42,714	131,590	46,266	2,498	263,437	826,034
At 31 December 2024	**1,304**	**7,201**	**161,569**	**103,588**	**37,163**	**104,369**	**35,744**	**1,788**	**271,192**	**723,918**
Amortisation profile (in years)	*n/a*	*n/a*	*UOP*	*20 to 50*	*8 to 40*	*3 to 15*	*7 to 15*	*2.5 to 10*	*n/a*	

Assets under construction consist of ongoing capital projects amounting to US$232,773 thousand (2023: US$227,206 thousand) and capitalised pre-production stripping costs of US$38,420 thousand (2023: US$36,231 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$214,682 thousand relate to components of the ore bodies put into operation and are included in mining assets (2023: US$243,767 thousand). No production stripping costs are capitalised as of this point in time.

Property, plant and equipment includes a total of capitalised borrowing costs on qualifying assets of US$25,073 thousand (2023: US$32,110 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$165,746 thousand (2023: US$146,917 thousand).

See Note 2 Basis of preparation in respect of the impact of climate change on the Group's financial statements.

NOTE 14: LEASES

ACCOUNTING POLICY

The Group leases buildings and land not used for the direct extraction of ore. The leases for land used for the extraction of ore are not within the scope of IFRS 16 according to the scope exemptions set out in the standard.

The right-of-use assets and corresponding lease liabilities recognised as at 31 December 2024 primarily refer to long-term rental contracts for several of the Group's office premises with rental periods of five to ten years, leased equipment and land not used for the direct extraction of ore.

The lease agreements for land in Ukraine are with the Ukrainian government and have typically a duration of up to 49 years requiring land lease payments in the form of rental taxes based on annually determined rates by the government. Consequently, related right-of-use assets and lease liabilities are recognised over a lease term of 12 months only, reflecting the period over which substantially fixed lease payments are expected. Beyond this period, payments are subject to non-market driven changes in either the normative value of land and/or in the rental tax rate and are disclosed as commitments as they cannot be considered in-substance fixed payments or as variable lease payments that depend on an index or a rate.

Right-of-use assets

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.

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.

Lease liabilities

At the commencement date, lease liabilities are measured at the net present value of the remaining lease payments, discounted using the interest rate implicit in the lease or, when not available, the incremental borrowing rate computed for a group of leases with similar characteristics as regards to type of asset, lease term, contract currency and economic environment.

The carrying amount of the lease liabilities is subsequently increased to reflect the interest on the lease liability and decreased by the lease payments made during the period. Lease payments are split between principal elements and interest and are allocated to net cash flows from financing activities and operating activities, respectively. The carrying amount is subject to remeasurement in subsequent periods to reflect any lease modifications.

Commitments

Future minimum rental payments

These commitments relate to leases under the scope of IFRS 16 to which the lessee is committed but not commenced.

Future commitments for contingent rental payments

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 ore and accounted for under IFRS 16, whereas the short-term portion is recognised as a lease liability in the statement of financial position.

As at 31 December 2024, the right-of-use assets comprised:

US$000	Land	Buildings and tailings dam	Total
Net book value:			
At 1 January 2023	4,375	1,967	6,342
Additions	5,185	639	5,824
Depreciation	(4,401)	(729)	(5,130)
Translation differences	(184)	–	(184)
At 31 December 2023	4,975	1,877	6,852
Additions	**3,878**	**296**	**4,184**
Depreciation	**(4,473)**	**(1,100)**	**(5,582)**
Translation differences	**(424)**	**–**	**(424)**
At 31 December 2024	**3,956**	**1,073**	**5,029**

Leased assets and assets under hire purchase contracts are pledged as security for the related finance leases and hire purchase liabilities.

NOTE 14: LEASES CONTINUED

As at 31 December 2024, the carrying amount of the lease liabilities consisted of the following:

US$000	Notes	Year ended 31.12.24	Year ended 31.12.23
Current	26	**4,665**	5,939
Non-current	26	**419**	1,009

The total cash outflow for leases falling under the scope of IFRS 16 ***Leases*** during the year ended 31 December 2024 was US$5,755 thousand (2023: US$5,562 thousand). During the year ended 31 December 2024, US$722 thousand was recognised as an expense in the consolidated income statement in respect of short-term leases with a corresponding impact on the net cash flows from operating activities (2023: US$740 thousand). Furthermore, interest expense on lease liabilities in the amount of US$191 thousand was recognised in the consolidated income statement during the year ended 31 December 2024 (2023: US$85 thousand).

Lease-related commitments for future contingent rental payments were US$112,780 thousand as at 31 December 2024 (2023: US$118,124 thousand).

NOTE 15: INTANGIBLE ASSETS

ACCOUNTING POLICY

Goodwill

If the cost of acquisition in a business combination exceeds the identifiable net assets attributable to the Group, the difference is considered as purchased goodwill, which is not amortised. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the detailed accounting policy on impairment testing see Note 13 Property, plant and equipment.

IMPAIRMENT TESTING

The goodwill acquired through business combinations in previous periods has been allocated for impairment purposes to a single cash-generating unit, as the Group only has one operating segment, being the production and sale of iron ore products. This represents the lowest level within the Group at which goodwill is monitored for internal management purposes. See Note 13 Property, plant and equipment for information on key assumptions used when preparing the Group's long-term model used for the impairment test.

Goodwill is subject to an annual impairment review and a further review is made when indicators of impairment arise following the initial review. An impairment loss recognised for goodwill is never reversed in a subsequent period. In the case that the identifiable net assets attributable to the Group exceed the cost of acquisition, the difference is recognised in profit and loss as a gain on bargain purchase. For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. If the initial accounting for a business combination cannot be completed by the end of the reporting period in which the combination occurs, only provisional amounts are reported, which can be adjusted during the measurement period of 12 months after acquisition date.

Exploration and evaluation assets

See the policy disclosed in Note 13 Property, plant and equipment.

Patents and licenses, computer software and other intangible assets

Patents and licenses, 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, ranging between one and three years. 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.

NOTE 15: INTANGIBLE ASSETS CONTINUED

As at 31 December 2024, intangible assets comprised:

US$000	Exploration and evaluation	Patents and licences	Computer software	Assets in progress	Total
Cost:					
At 1 January 2023	3,634	3,934	9,683	497	45,088
Additions	–	–	5	116	121
Disposals	–	(11)	(21)	(386)	(418)
Transfers	–	8	47	(55)	–
Translation differences	(138)	(124)	(268)	(10)	(1,322)
At 31 December 2023	3,496	3,807	9,446	162	43,469
Additions	**–**	**–**	**5**	**687**	**692**
Disposals	**–**	**(3)**	**(131)**	**(36)**	**(170)**
Transfers	**–**	**–**	**584**	**(583)**	**1**
Translation differences	**(345)**	**(355)**	**(887)**	**(26)**	**(3,572)**
At 31 December 2024	**3,151**	**3,449**	**9,017**	**204**	**40,420**
Accumulated amortisation and impairment:					
At 1 January 2023	1,242	1,717	6,540	–	36,839
Amortisation charge	–	284	1,091	–	1,375
Write-off and impairments	–	–	–	–	–
Disposals	–	(13)	(26)	–	(39)
Translation differences	(50)	(52)	(190)	–	(1,074)
At 31 December 2023	1,192	1,936	7,415	–	37,101
Amortisation charge	**–**	**224**	**665**	**–**	**889**
Write-off and impairments	**–**	**–**	**–**	**–**	**–**
Disposals	**–**	**(1)**	**(164)**	**–**	**(165)**
Translation differences	**(123)**	**(186)**	**(705)**	**–**	**(2,973)**
At 31 December 2024	**1,069**	**1,973**	**7,211**	**–**	**34,852**
Net book value:					
At 31 December 2023	2,304	1,871	2,031	162	6,368
At 31 December 2024	**2,082**	**1,476**	**1,806**	**204**	**5,568**
Amortisation profile (in years)	*n/a*	*2 to 10*	*2 to 5*	*n/a*	

IMPAIRMENT TESTING

The impairment losses recorded during the financial year 2022 as a result of the war in Ukraine 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 macro-economic 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.

The impairment test performed as at 31 December 2024 resulted in an additional impairment loss of US$71,170 thousand, which 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 an existing goodwill from the acquisition of one of the Group's subsidiaries in Ukraine. There is no partial or full reversal of the impairment loss to be recorded as at 31 December 2024. 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 196 and 197 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 2024, other non-current assets comprised:

US$000	As at 31.12.24	As at 31.12.23
Prepayments for property, plant and equipment	27,221	32,871
Other non-current assets	5,235	5,233
Total other non-current assets	32,456	38,104

Prepayments for property, plant and equipment 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 into Ukraine in February 2022, resulting in a significant lower cash flow generation of the Group. The impairment test performed as at 31 December 2024 resulted in an additional impairment loss of US$71,170 thousand, which was fully allocated to property, plant and equipment.

Other non-current assets include a prepayment of US$5,000 thousand in relation to an investment in a joint venture. The closing of this transaction is only possible once the 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 2024, inventories comprised:

US$000	As at 31.12.24	As at 31.12.23
Raw materials and consumables	43,540	47,302
Spare parts	85,076	88,000
Finished ore pellets	49,740	45,040
Work in progress	12,115	18,844
Other	2,037	2,243
Total inventories – current	192,508	201,429
Weathered ore	5,185	5,883
Total inventories – non-current	5,185	5,883
Total inventories	197,693	207,312

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$5,185 thousand as at 31 December 2024 is net of impairment losses of US$231,111 thousand recorded as of 31 December 2021, as it was not possible to reliably predict 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, 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 2024.

During the financial year ended 31 December 2024, 3,684 thousand tons of low-grade ore in the amount of US$36,317 thousand was extracted and stockpiled, but directly recognised in the consolidated financial statements, included in cost of sales, due to the uncertainties in respect of the expected time of processing. No such ore was extracted during the comparative period ended 31 December 2023 as a result of the lower mining activity due to the ongoing war and the reduced operating activity.

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 during the comparative year ended 31 December 2023, there is a risk that the future net realisable value of potentially seized finished goods subject to a potential seizure or forced sales process is different than the value recognised at cost in the consolidated financial statements as at 31 December 2024.

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 price, and adjusted at the end of each subsequent reporting period on the basis of changes in iron ore 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 2024 is disclosed in Note 27 Financial instruments.

At 31 December 2024, trade and other receivables comprised:

US$000	As at 31.12.24	As at 31.12.23
Trade receivables	**32,274**	76,586
Other receivables	**17,841**	18,765
Expected credit loss allowance	**(10,323)**	(13,030)
Total trade and other receivables	**39,792**	82,321

As trade receivables are non-interest bearing and final invoices are generally settled within 90 days after delivery, contracts with customers are not deemed to contain a significant financing component.

Trade receivables at 31 December 2024 include US$2,571 thousand (2023: US$3,196 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 31.12.24	Year ended 31.12.23
Opening balance	**13,030**	8,698
Increase	**4,506**	4,585
Release	**(6,237)**	(182)
Translation differences	**(976)**	(71)
Closing balance	**10,323**	13,030

During the financial years 2024 and 2023, 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 31.12.24		Days past due			
US$000	Current	Less than 45 days	45 to 90 days	Over 90 days	Total
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**	**17,841**
Expected credit loss allowance	**382**	**631**	**182**	**9,128**	**10,323**

The expected credit loss allowance decreased due to the lower outstanding receivable balances as at 31 December 2024 and the generally lower default risk ratings of the Group's customers. The expected loss rate is however affected by the effect from outstanding receivable balances in Ukraine and the Ukrainian country risk.

NOTE 18: TRADE AND OTHER RECEIVABLES CONTINUED

As at 31.12.23 US$000	Current	Days past due Less than 45 days	 45 to 90 days	 Over 90 days	Total
Expected loss rate	0.8%	1.6%	3.3%	76.7%	13.7%
Trade receivables – gross carrying amount	52,014	11,542	1,808	11,222	76,586
Other receivables – gross carrying amount	3,815	2	10,533	4,415	18,765
Expected credit loss allowance	442	179	408	12,001	13,030

The change of the balance of impairment losses on trade receivables recognised in the consolidated income statement as at 31 December 2024 and 2023 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 2024, prepayments and other current assets comprised:

US$000	As at 31.12.24	As at 31.12.23
Prepayments to suppliers:		
Electricity and gas	**3,482**	6,013
Materials and spare parts	**3,556**	4,385
Services	**5,390**	7,075
Other prepayments	**220**	185
Freight related prepayments	**9,276**	1,456
Prepaid expenses	**2,693**	2,142
Other	**31**	124
Total prepayments and other current assets	**24,648**	21,380

Prepayments at 31 December 2024 include US$93 thousand (2023: US$513 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$1,456 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 2024 (2023: US$465 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.

As at 31 December 2024, other taxes recoverable comprised:

US$000	As at 31.12.24	As at 31.12.23
VAT receivable	**35,270**	25,639
Other taxes prepaid	**1,026**	652
Total other taxes recoverable and prepaid	**36,296**	26,291

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 31.12.24	Year ended 31.12.23
Opening balance, gross	27,104	76,387
Net VAT incurred	111,020	66,987
VAT refunds received	(100,224)	(115,348)
Translation differences	(3,916)	(922)
Closing balance, gross	**33,984**	27,104
Allowance	(2,146)	(3,188)
Closing balance, net	**31,838**	23,916

The Group's subsidiaries in Ukraine generally received regular refunds throughout the financial year 2024 and there were no VAT balances overdue as at 31 December 2024 and 2023. The vast majority of the outstanding VAT balance as of 31 December 2024 was collected in full in January and February 2025. Regular refunds in future periods do also depend on the situation in Ukraine and how the country is going to cope with the state budget constraints as a result of the ongoing war.

The recorded allowance of US$2,146 thousand (2023: US$3,188 thousand) is related to uncertainties in terms of the timing of the recovery of VAT receivable balances for the Group's Ukrainian subsidiaries.

As at 31 December 2024, other taxes payable comprised:

US$000	As at 31.12.24	As at 31.12.23
Environmental tax	819	341
Royalties	8,174	3,695
VAT payable	201	253
Other taxes	4,294	4,536
Total other taxes payable	**13,488**	8,825

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 2024, trade and other payables comprised:

US$000	As at 31.12.24	As at 31.12.23
Materials and services	47,039	25,898
Payables for equipment	8,354	9,182
Other	388	230
Total current trade and other payables	**55,781**	35,310

Trade and other payables at 31 December 2024 include US$1,085 thousand (2023: US$1,219 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 effects from remeasurements are recognised in other comprehensive income.

The defined benefit pension liability is the aggregate of the defined benefit obligation less 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 Ukrainian State Pension Fund for additional pensions paid to certain categories of its current and former employees. All pension schemes in Ukraine are unfunded.

At 31 December 2024, the pension schemes in Ukraine covered 2,610 current employees (2023: 2,743 people) and there are 664 former employees currently in receipt of pensions (2023: 681 people).

Switzerland

The employees of the Group's Swiss operations are covered under a collective pension plan (multi-employer plan), which is governed in accordance with the requirements of Swiss law. The funding, of which two-thirds is contributed by the employer and one-third 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 and are invested with an insurance company. The accumulated capital of the employees is subject to interests determined by the local legislation and defined in the regulations of the pension scheme. 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 2024, the Swiss pension scheme covered 22 people (2023: 20 people).

The principal assumptions used in determining the defined benefit obligation are shown below:

	Year ended 31.12.24		Year ended 31.12.23	
	Ukrainian schemes	Swiss scheme	Ukrainian schemes	Swiss scheme
Discount rate	15.7%	1.0%	18.0%	1.5%
Retail price inflation	5.2%	0.8%	8.7%	1.5%
Expected future salary increase	9.0%	1.3%	8.5%	2.0%
Expected future benefit increase	9.0%	–	8.5%	–
Female life expectancy (years)	79.8	89.7	79.8	89.6
Male life expectancy (years)	75.6	88.0	75.6	87.8

US$000	As at 31.12.24	As at 31.12.23
Present value of funded defined benefit obligation	5,659	5,011
Fair value of plan assets	(4,231)	(3,697)
Funded status	1,428	1,314
Present value of unfunded defined benefit obligation	21,378	15,204
Defined benefit pension liability	22,806	16,518
Thereof for Ukrainian schemes	*21,236*	*15,064*
Thereof for Swiss scheme	*1,427*	*1,314*
Thereof for schemes in other jurisdictions	*143*	*140*

Amounts recognised in the consolidated income statement or in other comprehensive income are as follows:

US$000	Year ended 31.12.24	Year ended 31.12.23
Defined benefit cost charged in the consolidated income statement:		
Current service cost	981	887
Past service cost	(45)	(26)
Interest cost on defined benefit obligation	2,488	2,711
Interest income on plan assets	(56)	(71)
Administration cost	13	17
Total defined benefit costs charged in the consolidated income statement	3,381	3,518
Remeasurement costs/(gains) in consolidated statement of other comprehensive income:		
Remeasurement effect from demographic assumptions	(122)	43
Remeasurement effect from financial assumptions	4,742	1,469
Experience adjustment	2,611	(2,346)
Return on plan assets	(191)	(65)
Total remeasurement costs/(gains) in other comprehensive income	7,040	(899)
Total defined benefit losses	10,421	2,619
Thereof for Ukrainian schemes	*9,812*	*1,980*
Thereof for Swiss scheme	*599*	*627*
Thereof for schemes in other jurisdictions	*10*	*12*

NOTE 22: PENSION AND POST-EMPLOYMENT OBLIGATIONS CONTINUED

The remeasurement costs for the year ended 31 December 2024 are primarily the effect from the remeasurement of financial assumptions and experience adjustments, with a higher effect related to the financial assumptions and an opposite effect related to the experience adjustments than in the comparative year ended 31 December 2023. The remeasurement costs from financial assumptions as at 31 December 2024 are 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 remeasurement costs as at the end of the comparative year ended 31 December 2023 were mainly related to the increase of the inflation rate and the future salary increase assumption, both in Ukraine. The costs from experience adjustments as at 31 December 2024 result from a higher effective salary increase in Ukraine than expected as at the end of the comparative year ended 31 December 2023, with the opposite effect as at 31 December 2023.

Changes in the present value of the defined benefit obligation are as follows:

US$000	Year ended 31.12.24	Year ended 31.12.23
Opening defined benefit obligation	20,199	19,326
Current service cost	979	886
Interest cost on defined benefit obligation	2,488	2,711
Remeasurement losses/(gains)	7,230	(834)
Contributions paid by employer	(1,829)	(1,798)
Contributions paid by employees	158	134
Benefits paid and net transfers through pension assets	40	(50)
Plan amendments	(45)	(26)
Translation differences	(2,200)	(150)
Closing defined benefit obligation	**27,020**	**20,199**
Thereof for Ukrainian schemes	*21,236*	*15,064*
Thereof for Swiss scheme	*5,659*	*5,011*
Thereof for schemes in other jurisdictions	*125*	*124*
Thereof for active employees	*12,869*	*10,060*
Thereof for vested terminations	*8,583*	*5,264*
Thereof for pensioners	*5,568*	*4,875*

The durations of the defined benefit obligation for the different schemes as at 31 December 2024 are 8.8 years in Ukraine (2023: 8.9 years) and 19.9 years in Switzerland (2023: 19.6 years).

Contributions to the defined benefit plans, including benefits paid by employer and employee contributions, are expected to be US$1,883 thousand for the schemes in Ukraine and US$208 thousand in Switzerland in the next financial year.

The expenses in relation to the defined contribution plan in the UK totalled US$54 thousand (2023: US$47 thousand).

Changes in the fair values of the plan assets are as follows:

US$000	Year ended 31.12.24	Year ended 31.12.23
Opening fair value of plan assets	3,697	2,870
Interest income	56	71
Contributions paid by employer	388	305
Contributions paid by employees	158	134
Benefits paid and net transfers through pension assets	40	(50)
Return on plan assets	191	65
Administration cost	(16)	(16)
Translation differences	(283)	318
Closing fair value of plan assets	**4,231**	**3,697**
Thereof for Swiss scheme	*4,231*	*3,697*

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 31.12.24	As at 31.12.24	As at 31.12.23	As at 31.12.23
Scheme assets at fair value				
Equities	**32.8**	**1,386**	32.0	1,182
Bonds	**29.6**	**1,254**	28.7	1,061
Properties	**16.7**	**705**	17.9	661
Other	**20.9**	**886**	21.4	793
Fair value of scheme assets	**100.0**	**4,231**	100.0	3,697

The pension assets are included in a multi-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:

	Year ended 31.12.24					
US$000	**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**

	Year ended 31.12.23					
US$000	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 (%)	(956)	(751)	(7)	1,072	1,047	4
Future salary increases (%)	543	158	6	(500)	(137)	(6)
Local inflation (%)	22	4	n/a	(33)	–	n/a
Indexation of pension (%)	n/a	403	n/a	n/a	n/a	n/a
Life expectancy (years)	257	57	n/a	(309)	(55)	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 2024, the provisions are classified as either non-current or current and comprised:

	As at 31.12.24			As at 31.12.23		
US$000	Legal	Site restoration	Total	Legal	Site restoration	Total
Opening balance	128,050	2,780	130,830	–	4,284	4,284
Unwind of the discount	–	436	436	–	771	771
Additions	–	311	311	128,050	224	128,274
Releases	–	(136)	(136)	–	(2,372)	(2,372)
Translation differences	(12,356)	(273)	(12,629)	–	(127)	(127)
Closing balance	115,694	3,118	118,812	128,050	2,780	130,830
Current	*115,694*	–	*115,694*	*128,050*	–	*128,050*
Non-Current	–	*3,118*	*3,118*	–	*2,780*	*2,780*

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 Yerystivske 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 14.4% (2023: 17.2%).

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$112,457 thousand as at 31 December 2024) at the end of the comparative year ended 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. As at the date of the approval of these consolidated financial statements, the court proceedings are ongoing. The next hearing is scheduled for 21 March 2025. 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.

As at 31 December 2024, accrued and contract liabilities comprised:

US$000	As at 31.12.24	As at 31.12.23
Accrued expenses	3,642	2,833
Accrued employee costs	14,897	12,580
Contract liabilities	4,436	1,915
Customer prepayments	6,440	–
Total accrued and contract liabilities	**29,415**	**17,328**

For further information on the change in contract liabilities during the year ended 31 December 2024, 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 2024, cash and cash equivalents comprised:

US$000	As at 31.12.24	As at 31.12.23
Cash at bank and on hand	105,919	115,241
Total cash and cash equivalents	**105,919**	**115,241**

The debt repayments net of proceeds during the period ended 31 December 2024 totalled US$5,755 thousand (31 December 2023: US$5,562 thousand) affecting the balance of cash and cash equivalents.

Further information on the Group's gross debt is provided in Note 26 Interest-bearing loans and borrowings.

The balance of cash and cash equivalents held in Ukraine amounts to US$4,041 thousand as at 31 December 2024 (31 December 2023: US$11,175 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. Over time, the liability increases due to accrued interest and decreases as lease payments are made, with principal repayments classified under financing activities and interest under operating activities. The carrying amount is subject to remeasurement in subsequent periods to reflect any lease modifications.

See also Note 14 Leases and Note 27 Financial instruments for more details in respect of the accounting policies applied. This note provides information about the contractual terms of the Group's major finance facilities.

US$000	Notes	As at 31.12.24	As at 31.12.23
Current			
Lease liabilities	14	4,665	5,939
Total current lease liabilities		**4,665**	**5,939**
Non-current			
Lease liabilities	14	419	1,009
Total non-current lease liabilities		**419**	**1,009**
Total lease liabilities	27	**5,084**	**6,948**

NOTE 26: LEASE LIABILITIES CONTINUED

The table below shows the movements in the interest-bearing loans and borrowings:

US$000	Year ended 31.12.24	Year ended 31.12.23
Opening balance of lease liabilities	**6,948**	6,548
Cash movements:		
Principal and interest elements of lease payments	**(5,755)**	(5,562)
Total cash movements	**(5,755)**	(5,562)
Non-cash movements:		
Additions to lease liabilities	**4,161**	5,812
Others (incl. translation differences)	**(270)**	150
Total non-cash movements	**3,891**	5,962
Closing balance of lease liabilities	**5,084**	6,948

The interest expense on lease liabilities in the amount of US$191 thousand was recognised in the consolidated income statement during the year ended 31 December 2024 (2023: US$85 thousand). Furthermore, the interest elements of lease payments are included in the cash flows from operating activities and not in the cash flows used in financing activities.

Further information on the Group's exposure to interest rate, foreign currency and liquidity risk is provided in Note 27 Financial instruments.

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 14 Leases.

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:

US$000		As at 31.12.24 Financial assets measured at amortised cost	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	39,792	–	–	39,792
Other financial assets		5,215	–	–	5,215
Total financial assets		150,926	–	–	150,926
Financial liabilities					
Trade and other payables	21	–	55,781	–	55,781
Accrued liabilities	24	–	18,539	–	18,539
Interest-bearing loans and borrowings	26	–	–	5,084	5,084
Total financial liabilities		–	74,320	5,084	79,404

US$000		As at 31.12.23 Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Lease liabilities	Total
Financial assets					
Cash and cash equivalents	25	115,241	–	–	115,241
Trade and other receivables	18	82,321	–	–	82,321
Other financial assets		5,245	–	–	5,245
Total financial assets		202,807	–	–	202,807
Financial liabilities					
Trade and other payables	21	–	35,310	–	35,310
Accrued liabilities	24	–	15,387	–	15,387
Interest-bearing loans and borrowings	26	–	–	6,948	6,948
Total financial liabilities		–	50,697	6,948	57,645

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.

Interest-bearing loans and borrowings

The fair values of interest-bearing loans and borrowings are based on the discounted cash flows using market interest rates (Level 2) and are approximately equal to their carrying amounts.

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 2024 and the comparative year ended 31 December 2023.

NOTE 27: FINANCIAL INSTRUMENTS CONTINUED

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.

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, that 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.

NOTE 27: FINANCIAL INSTRUMENTS CONTINUED

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 2024 was US$150,926 thousand (2023: US$202,807 thousand) and represents the maximum credit exposure. See page 213 for further information.

Of the total maximum exposure to credit risk, US$25,887 thousand (2023: US$34,635 thousand) related to Ukraine.

The total outstanding receivables balance relating to the Group's top customers was US$13,870 thousand as at 31 December 2024 (2023: US$45,666 thousand), accounting for 35% (2023: 55%) 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.

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 87 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 be able to meet its financial obligations as they fall due. The Group's approach is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring losses for the different counter parties or risking damage to the Group's reputation by holding an adequate balance of cash and cash equivalents. As at the date of the approval of these consolidated financial statements, the Group does not have any drawn or undrawn committed credit facilities, mainly due to the current situation in Ukraine. The ongoing war in Ukraine has had a significant impact on the cash flow generation of the Group during the financial years 2023 and 2024 and the war is expected to continue during the financial year 2025 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.

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 on demand to meet expected operational expenses. In normal times, the Group also makes use of 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 2024, no trade finance facilities are available to the Group as a result of the ongoing war in Ukraine.

The Group maintains adequate cash reserves intended to cover unexpected cash flow shortfalls. As of 31 December 2024, the Group's cash and cash equivalents amounted to US$105,919 thousand (2023: US$115,241 thousand), representing 50% of total current liabilities (2023: 54%).

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 page 34.

For further information see Note 26 Interest-bearing loans and borrowings and the Group's Viability Statement on pages 95 and 96.

NOTE 27: FINANCIAL INSTRUMENTS CONTINUED

The following are the contractual maturities of financial liabilities:

	As at 31.12.24						
US$000	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	Total
Interest-bearing							
Lease liabilities	**4,666**	**335**	**78**	**2**	**2**	**1**	**5,084**
Total financial assets	**4,666**	**335**	**78**	**2**	**2**	**1**	**5,084**
Non-interest-bearing							
Trade and other payables	**55,781**	**–**	**–**	**–**	**–**	**–**	**55,781**
Accrued liabilities	**18,539**	**–**	**–**	**–**	**–**	**–**	**18,539**
Future interest payable	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total non-interest-bearing	**74,320**	**–**	**–**	**–**	**–**	**–**	**74,320**
Total financial liabilities	**78,986**	**335**	**78**	**2**	**2**	**1**	**79,404**

	As at 31.12.23						
US$000	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	Total
Interest-bearing							
Lease liabilities	6,092	832	245	5	–	–	7,174
Total financial assets	6,092	832	245	5	–	–	7,174
Non-interest-bearing							
Trade and other payables	35,310	–	–	–	–	–	35,310
Accrued liabilities	15,387	–	–	–	–	–	15,387
Future interest payable	–	–	–	–	–	–	–
Total non-interest-bearing	50,697	–	–	–	–	–	50,697
Total financial liabilities	56,789	832	245	5	–	–	57,871

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. 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 subsidiaries. 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 2024, 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. 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.

NOTE 27: FINANCIAL INSTRUMENTS CONTINUED

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 of 31 December 2024:

US$000	As at 31.12.24	As at 31.12.23
Total financial assets	**150,926**	202,807
Thereof exposed to Ukrainian hryvnia	*–*	*–*
Thereof exposed to US dollar	*127*	*255*
Thereof exposed to euro	*504*	*2,737*
Thereof exposed to Swiss franc	*1,093*	*1,124*
Thereof exposed to other currencies	*800*	*1,170*
Total exposures to currencies other than local functional currencies	**2,524**	5,286
Total financial liabilities	**(79,404)**	(57,645)
Thereof exposed to Ukrainian hryvnia	*–*	*–*
Thereof exposed to US dollar	*(5,395)*	*(631)*
Thereof exposed to euro	*(449)*	*(7,626)*
Thereof exposed to Swiss franc	*(369)*	*(461)*
Thereof exposed to other currencies	*(900)*	*(682)*
Total exposures to currencies other than local functional currencies	**(7,113)**	(9,400)

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).

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 2024, 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 2024 was 573,291 tonnes (none at the comparative period ended 31 December 2023) and gave rise to a fair value loss relating to the embedded provisional pricing mechanism of US$1,065 thousand as at 31 December 2024 (none at the comparative period ended 31 December 2023). 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 2024 and the receivable balance taking into account known final and latest forward prices is US$760 thousand (none at the comparative period ended 31 December 2023) and would have decreased the consolidated loss and increased the shareholders' equity by this amount

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.

NOTE 27: FINANCIAL INSTRUMENTS CONTINUED

SENSITIVITY ANALYSIS

Foreign currency sensitivity analysis

A 20% weakening of the US dollar against the following currencies at 31 December would have 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.

US$000	Year ended 31.12.24 Income statement/ equity	Year ended 31.12.23 Income statement/ equity
Ukrainian hryvnia	**(878)**	(63)
Euro	**9**	(815)
Swiss franc	**121**	111
Other	**(17)**	81
Total	**(765)**	(686)

A 20% strengthening of the US dollar against the above currencies would have an opposite effect totalling US$1,147 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 2024, a 20% weakening of the Ukrainian hryvnia against the US dollar would have a positive impact of approximately US$69,000 thousand (2023: approximately US$90,000 thousand) on the consolidated result and equity. A 20% strengthening would have a negative impact of approximately US$46,000 thousand (2023: approximately US$60,000 thousand) on the consolidated result and equity. Further information on the actual foreign exchange gains and losses during the financial years 2023 and 2024, 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$108,293 thousand at the beginning of the year to US$100,559 thousand as at 31 December 2024. The slightly higher net cash position reflects the Group's resilience through these unprecedented and challenging times, demonstrating the management 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.

NOTE 27: FINANCIAL INSTRUMENTS CONTINUED

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 of 31 December 2024. See Note 12 Earnings per share and dividends paid and proposed for further information.

For more information about the Group's interest-bearing loans and borrowings see Note 26 Interest-bearing loans and borrowings.

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	2024 LTIP	2023 LTIP	2022 LTIP	Total
Year ended 31.12.24	**837**	**–**	**–**	**837**
Year ended 31.12.23	–	595	–	595
Year ended 31.12.22	–	–	453	453

The following expenses have been recognised during the financial years ended 31 December 2024 and 2023 in respect of the LTIP:

US$000	2024 LTIP	2023 LTIP	2022 LTIP	2021 LTIP	2020 LTIP	Total
Year ended 31.12.24	**85**	**125**	**67**	**43**	**–**	**320**
Year ended 31.12.23	–	203	48	103	476	830

The expenses recognised in the comparative year 2023 include the effect of lapsed awards resulting from the departure of one member of the key management. No such departure occurred during 2024 (2023: one).

US$000	Year ended 31.12.24 WAFV (US$)	Year ended 31.12.23 WAFV (US$)	Year ended 31.12.24 No. (000)	Year ended 31.12.23 No. (000)
LTIP				
Beginning of the year	**1.80**	1.98	**941**	1,040
Awards granted during the year	**0.53**	1.12	**837**	595
Awards vested during the year	**4.77**	2.38	**(35)**	(289)
Awards lapsed during the year	**0.88**	1.40	**(205)**	(405)
Outstanding unvested awards at 31 December	**0.84**	1.80	**1,538**	941

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 2024 is 1.6 years (2023: 1.4 years).

NOTE 28: SHARE-BASED PAYMENTS CONTINUED

The main inputs to the valuation of the 2024 LTIP awards were the share price at date of grant of US$0.53 (2023 LTIP awards: US$1.65). The 2024 awards do not have any performance conditions other than remaining in employment, so that the volatility of the share price and the risk-free interest rate are no longer relevant. In terms of the 2023 LTIP awards, volatility of the share price of 68% p.a. and a risk-free interest rate 5.1% p.a. was applied for the valuation of the awards. The assumptions have been based on historical volatility and correlation of the relevant stocks over a period based on the expected term of the awards.

As at 31 December 2023, 16.8% of the 2021 awards under the LTIP vested as the vesting conditions were partially met (31 December 2022: 71.6% of the 2020 awards). As a result, the beneficiaries of this plan at the date of exercise received 34,884 shares for the 2021 awards during the financial year 2024 (2023: 288,727 shares for the 2020 awards). The share price at the date of exercise of these awards was US$1.12 (2023: US$1.44). As at the date of authorising the consolidated financial statements for issue, all awards from previous years have been exercised.

NOTE 29: EMPLOYEES

Employee benefits expenses for the year ended 31 December 2024 consisted of the following:

US$000	Notes	Year ended 31.12.24	Year ended 31.12.23
Wages and salaries		**73,438**	63,577
Social security costs		**13,337**	11,346
Post-employment benefits	22	**998**	887
Other employee costs		**4,048**	3,087
Share-based payments	28	**320**	830
Total employee benefits expenses		**92,141**	79,727

The table above includes compensation for Non-executive Directors, Executive Directors and other key management personnel as outlined below:

	Year ended 31.12.24			Year ended 31.12.23		
US$000	Non-executive and Executive Directors	Other key management	Total	Non-executive and Executive Directors	Other key management	Total
Wages and salaries	**3,319**	**2,249**	**5,568**	3,769	2,068	5,837
Social security costs	**188**	**66**	**254**	122	48	170
Post-employment benefits	**131**	**66**	**197**	91	48	139
Other employee costs	**–**	**–**	**–**	155	–	155
Share-based payments	**73**	**105**	**178**	107	264	371
Total compensation for key management	**3,711**	**2,486**	**6,197**	4,244	2,428	6,672

The total of shared-based payments for employees and for key management recognised in the comparative year 2023 include the effect of lapsed awards resulting from the departure of one member of the key management. No such effect in the financial year 2024.

The average number of employees during the financial year 2024 is detailed in the table below:

Average number of employees	Year ended 31.12.24	Year ended 31.12.23
Production	**4,598**	4,939
Marketing and distribution	**559**	409
Administration	**1,216**	1,214
Other	**296**	328
Total average number of employees	**6,669**	6,890

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

These commitments relate to the agreements for the use of mining land, which fall out of the scope of IFRS 16 *Leases*.

COMMITMENTS

Commitments as at 31 December 2024 consisted of the following:

US$000	Year ended 31.12.24	Year ended 31.12.23
Total commitments for the lease of mining land (out of the scope of IFRS 16)	**54,948**	52,739
Total capital commitments on purchase of property, plant and equipment	**115,190**	128,934
Commitments for investment in a joint venture	**6,064**	6,064

For further information on lease-related commitments see Note 14 Leases.

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 85 to 87 for further information on the Ukraine country risk and Note 35 Events after the reporting period in terms of another court order received.

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 85 to 87). 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 comparative year ended 31 December 2023 still exists as at 31 December 2024, and the other matters listed under critical judgements below.

See Note 35 Events after reporting period relating to an event that could lead to litigation and contingencies in a future period.

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 2024: US$112,443 thousand; 31 December 2023: US$124,450 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 on 6 November 2020. The claimant further claims that FPM provided sureties to Bank F&C to secure performance under these loan agreements.

The 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. 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. The next hearing is scheduled for 21 March 2025.

On 1 April 2024, the Supreme Court suspended the possible enforcement of the decision of the court of appeal against FPM. No enforcement procedures have commenced and cannot be initiated by the claimant until a final decision is made by the Supreme Court, or the suspension order is lifted.

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 in the Supreme Court. However, considering the magnitude of this claim and the risks associated with the judicial system in Ukraine as further described above, the full provision in the amount of UAH4,727 million (US$112,457 thousand as at 31 December 2024), which was recorded as at the end of the previous year, was not released as at 31 December 2024.

If the final ruling of the Supreme Court is not in favour of FPM, the claimant may start the enforcement proceedings, which 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 liquidity 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 is considering and 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.

NOTE 30: COMMITMENTS, CONTINGENCIES AND LEGAL DISPUTES CONTINUED

CRITICAL JUDGEMENTS FOR ONGOING LEGAL PROCEEDINGS AND DISPUTES WITHOUT CORRESPONDING PROVISIONS

Creditor protection application against Ferrexpo Poltava Mining ("FPM")

In February 2024, a supplier and related party to the Group filed an application to open bankruptcy proceedings ("creditor protection proceedings") against FPM, which was accepted by the relevant court in Ukraine for further consideration. The amount of debt claimed by the supplier was initially UAH2.2 million (US$52 thousand as at 31 December 2024) and subsequently increased to UAH4.6 million (c. US$109 thousand as at 31 December 2024).

On 18 July 2024, FPM settled the outstanding debt to the supplier. On 24 September 2024, the court rejected the supplier's application. The supplier appealed and the court of appeal refused to open the appeal proceedings on 16 January 2025. This means that the proceedings are now over.

Legal proceedings relating to Bank F&C

Shares freeze in relation to claim from the Ukrainian Deposit Guarantee Fund ("DGF")

On 3 March 2023, the 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 Fevamotinico 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 operations because of this court order.

The Group's subsidiaries affected by this court order, including FAG, 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, the 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 given by Mr Zhevago for a loan provided by the NBU to Bank F&C prior to Bank F&C's insolvency.

In the context of this commercial litigation, in September 2023 the Chief State Bailiff of the Ministry of Justice of Ukraine ("State Bailiff") issued a resolution to arrest (freeze) property of Mr Zhevago. This was stated to include 50.3% of the issued share capital of Ferrexpo Yeristovo Mining ("FYM") and of Ferrexpo Bellanovo Mining ("FBM"), which are owned by Ferrexpo AG ("FAG"). Such decision was made based on the incorrect assumption that these corporate rights are owned by Mr Zhevago.

In October 2023, FAG filed a civil claim seeking to cancel the arrest order in relation to FAG's shares in FYM and FBM and the motion to block the enforcement procedure initiated by the State Bailiff in relation to potential sale of shares.

On 30 November 2023, the court of first instance in Ukraine granted FAG's motion and suspended the enforcement procedure, prohibiting the State Bailiff from taking any further actions to forcefully sell FAG's corporate rights in FYM and FBM (the "interim measures"). On 1 July 2024, the court of appeal lifted the interim measures. As a result, the State Bailiff may proceed with the sale. FAG subsequently filed an appeal to the Supreme Court and on 8 August 2024, the Supreme Court opened the review of the case. In parallel, the court of first instance is considering FAG's claim. The next hearing of the court of first instance is scheduled for 1 April 2025.

In addition, in August 2024 the Group became aware that the Department of State Enforcement Service of the Ministry of Justice of Ukraine (the "State Enforcement Service") had issued a resolution arresting certain corporate rights relating to 49.3% of shares in Ferrexpo Poltava Mining ("FPM") held by FAG. On 15 August 2024, FAG filed a claim to remove this arrest. Initially, the court of first instance refused to open the case, but this decision was overturned on 5 February 2025 following a successful appeal by FAG to the court of appeal. The case has therefore been returned to the court of first instance which shall decide again on the issue of opening proceedings.

On 17 September 2024, a new arrest of the same 49.3% of shares in FPM was imposed by the State Enforcement Service. On 16 October 2024, FAG filed a claim to lift the arrest. On 23 October 2024, the court of first instance refused to open the case, but this decision was also overturned on 16 January 2025 following a successful appeal by FAG to the court of appeal. The case has been returned to the court of first instance which shall again decide on the issue of opening proceedings.

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.

Shares freeze in relation to investigation in connection with Bank F&C

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 court actions 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. FAG plans to file another claim to the court of first instance.

NOTE 30: COMMITMENTS, CONTINGENCIES AND LEGAL DISPUTES CONTINUED

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.

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 regards to the decision of the Pecherskyi District Court of Kyiv and have not seen a copy of the court decision. The details of the court decision are therefore unclear at this stage and the Group is working with its independent legal advisors to further understand the situation.

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. Based on article 21 of 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. This rule suggests that the manager cannot vote at the shareholders meeting on its own, but only with the consent of the owner, Ferrexpo AG.

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 of 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. 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 is a risk that the Group may become subject to challenges from regulatory authorities in connection with the application of the regulations.

Given the amount of outstanding receivable balances between Group companies, there is a risk of material fines becoming payable in the future. However, because of different interpretations of the currency control regulations during the application of Martial Law and the measures initiated by the Group to mitigate the risk of potential fines, it is currently not possible to reliably estimate the amount of a potential exposure.

Share dispute

In 2020, the Kyiv Commercial Court reopened court proceedings in relation to an old shareholder litigation.

This old shareholder litigation started in 2005, when a former shareholder in Ferrexpo Poltava Mining ("FPM") brought proceedings in the Ukrainian courts seeking to invalidate a share sale and purchase agreement concluded in 2002 pursuant to which a 40.19% stake in FPM was sold to nominee companies that were previously ultimately controlled by Mr Zhevago, amongst other parties (the "2002 SPA"). After a long period of litigation, all old claims were fully dismissed in 2015 by the Higher Commercial Court of Ukraine.

In January and February 2021, claims were filed by former shareholders in FPM seeking to invalidate the 2002 SPA. Those claims were similar to the previous claims made back in 2005. In May 2021, the Kyiv Commercial Court ruled in favour of FAG but this decision was subsequently overturned by the court of appeal which ruled in favour of the claimants. On 19 April 2023, the Grand Chamber of the Supreme Court ruled in favour of FAG.

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 bribery. These allegations made reference to the ruling made by the Supreme Court 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. If the Ukrainian Anti-Corruption Court concludes that a judge received a bribe for the favourable decision in the share dispute case, and such verdict of the Anti-Corruption Court remains valid after any potential appeal, then the claimants in the share dispute case may apply to the Supreme Court to review the ruling made by the Supreme Court on 19 April 2023. In February 2024, all four claimants were dissolved according to the records at the UK Companies House. As at the date of the approval of these consolidated financial statements, no allegations have been made against the Group in connection with the alleged bribery and it is currently not possible to anticipate future developments in this case with any certainty.

If the share dispute case were to be reviewed by the Grand Chamber of the Supreme Court 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.

NOTE 30: COMMITMENTS, CONTINGENCIES AND LEGAL DISPUTES CONTINUED

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 of 31 December 2024 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

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 of FPM 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 2024: US$3,235 thousand; 31 December 2023: US$3,720 thousand) in aggregate to the claimants. The court of appeal upheld the decision of the court of first instance. The Supreme Court cancelled both decisions and referred the case back to the court of first instance for a new hearing.

As at the date of the approval of these consolidated financial statements, the claim is therefore before the court of first instance. On 15 November 2024 the court of first instance suspended proceedings. After FPM's initial appeal of this decision to suspend was rejected, FPM appealed to the Supreme Court on a point of law (a "cassation" appeal). On 27 January 2025, the Supreme Court commenced its review of this matter.

In accordance with the requirements of IAS 37 Provisions, contingent liabilities and contingent assets, the Group recorded a full provision for the claimed compensations as at the end the comparative year ended 31 December 2023. No additional provision has been recorded as at 31 December 2024 as the court did not accept the motions of the two former minority shareholders to increase the amount of the claims.

Other ongoing legal proceedings and disputes without corresponding provisions

Royalty-related investigation and claim

On 8 February 2022, FPM received a tax audit report, which claims the underpayment of iron ore royalty payments during the period April 2017 to June 2021 in the amount of approximately UAH1,042 million (US$24,787 thousand as at 31 December 2024), excluding fines and penalties. The Group objected to the claims made in the tax audit report. On 11 August 2023, FPM received a tax notification decision, which claims the underpayment of royalty payments in the amount of UAH1,233 million (US$29,330 thousand as at 31 December 2024), which is higher than the amount initially stated in the tax audit report due to imposed fines and penalties. FPM challenged this notification decision as part of administrative procedures with the tax authorities. On 20 October 2023, the tax authorities decided that the amount in the notification decision is final and not subject to change. In November 2023, FPM filed a lawsuit to challenge the tax authorities' decision. On 15 April 2024, the court suspended proceedings until the review of another case on challenge of individual tax consultation issued by the tax authority in another matter which is connected with royalty proceedings.

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, which claimed underpayment of royalty payments in the amount of approximately UAH2,000 million (US$47,575 thousand as at 31 December 2024). 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 the bank accounts of FPM. Following a motion to change the scope of the arrest filed by FPM, the court on 8 February 2023 and on 16 February 2023 added exceptions to the original arrest order to allow FPM to make payments for salaries, local taxes, social security charges, payments for utilities as well as payments to state and municipal companies. FPM's appeal to cancel the arrest of 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$15,462 thousand as at 31 December 2024). 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. The next court hearing is scheduled for 2 April 2025.

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 in relation to the royalty claims in the consolidated statement of financial position as at 31 December 2024. However, as with other ongoing legal proceedings, 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.

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 on alleged illegal extraction of minerals ("rubble"). The National Police of Ukraine also carried out investigations on the same matter and searched and collected samples of the rubble on 17 January 2023 at Ferrexpo Poltava Mining ("FPM").

NOTE 30: COMMITMENTS, CONTINGENCIES AND LEGAL DISPUTES CONTINUED

FPM's position is that it has complied with the relevant legislation in respect of its mining license. The minerals in question were not a separate mineral resource, but rather a waste product resulting from the crushing of iron ore during the technical process for the production of iron ore pellets. Sales of the rubble by FPM were subject to inspection by the State Service for Geology and Subsoil of Ukraine for many years and in any event sales were suspended by the Group in September 2021 when the State Service for Geology and Subsoil of Ukraine requested to suspend the sales.

On 29 June 2023, the SBI issued notices of suspicion to three representatives of FPM's senior management and the head of one division for allegedly selling the rubble without the appropriate permit. These FPM employees were detained by the SBI and subsequently released after FPM paid bails totalling UAH122 million (US$3,336 thousand as at date of the payment).

On 22 September 2023, the National Police of Ukraine searched the private residence of a senior manager of FPM and issued a further notice of suspicion. The senior manager was detained by the National Police of Ukraine and released following payment of bail by the Group in the amount of UAH400 million (US$11,063 thousand as at date of the payment).

In the pre-trial investigation of the rubble case and following an application from the prosecutor to arrest ("freeze") all rail cars and railway access tracks owned by FPM, a court of first instance in Ukraine issued an order to freeze the rail cars and the railway access tracks. FPM filed an appeal and at a hearing of the court of appeal on 30 October 2023 the arrest of assets was upheld. However, the court of appeal refused to clarify the exact scope of the order which was interpreted as a restriction on the use of one type of FPM's rail cars. On 22 April 2024, the court of first instance cancelled the prohibition to use rail cars and the railway access tracks, thereby permitting FPM to continue using rail cars (of any type) and railway access tracks.

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 arrested by the National Police of Ukraine with exemptions allowing FPM to pay salaries, local taxes, social security charges, payments for utilities as well as payments to state and municipal companies. FPM's appeal against the arrest of the bank accounts was rejected by the court of appeal.

On 29 April 2024, a court placed a restriction on the sale of the mining license of FPM. This restriction does not affect the use of the mining license and FPM continues its mining operations as planned. FPM's appeal against the restriction on the sale of the mining license was rejected by the court of appeal.

On 15 January 2025, the Office of the Prosecutor General announced that the National Police of Ukraine had completed the pre-trial investigation and the case was sent to a court of the first instance. On 4 February 2025, FPM received information that a civil claim was filed seeking joint liability of FPM and its General Director for damages amounting to UAH157 billion (approximately US$3.8 billion as at 14 March 2025) in favour of the Ukrainian state. This claim was initially based on an allegation that FPM and the General Director participated in the illegal sale of waste products. This has since transformed into allegations that FPM is illegally mining and selling subsoil (minerals other than iron ore), which is said to have caused damage to the environment. FPM rejects these allegations in their entirety on the basis that there was no illegal extraction of the subsoil. FPM mines and extracts iron ore according to its mining license and provides for the removal of rock and its storage as waste.

In terms of the case initiated by the National Police of Ukraine, the next hearing is scheduled for 19 March 2025 and it is expected that the proceedings in this case will be a lengthy process. In terms of the criminal case initiated by the SBI, a preparatory court hearing was rescheduled from 4 February 2025 to 5 March 2025. This hearing took place and the next hearing is scheduled for 15 May 2025. Based on independent legal advice from Ukrainian counsel, the trial in the court of first instance may last several years.

As at the date of approval of these consolidated financial statements, the claim received does not constitute a legal obligation according to the local legislation. Further to that, even if a court in Ukraine would conclude that there was a damage to the environment, the magnitude of this claim is in no way comprehensible and it is management's position that no reliable estimate of the potential future outflow and assessment of the 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 2024 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 going concern.

Ecological claims

As described in detail in the 2023 Annual Report & Accounts, the State Ecological Inspection carried out an inspection of Ferrexpo Yeristovo Mining ("FYM") and on 1 October 2021 issued an order to remove 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 on 20 March 2023 due to procedural errors when filing the claim and the State Ecological Inspection subsequently requested an extension of the deadline for the filing of their next appeal. The State Ecological Inspection subsequently filed another appeal and on 20 July 2023 the court of appeal returned the appeal claim back 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 reviewed land plots of FYM. On 5 November 2024, a court authorised a review of FYM's land plots and new investigations.

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 compelling arguments to defend its position in the court and, as a consequence, no associated liabilities have been recognised in relation to these matters in the consolidated statement of financial position as at 31 December 2024.

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 license for the Galeschynske deposit, which is one of two licenses held by FBM.

NOTE 30: COMMITMENTS, CONTINGENCIES AND LEGAL DISPUTES CONTINUED

On 15 November 2021, FBM filed a lawsuit with the Supreme Court of Ukraine partially to annul the Order. On 28 November 2024, the appeal was filed and the Grand Chamber of the Supreme Court subsequently opened the proceedings. Based on information available on the website of the Supreme Court, the Grand Chamber of the Supreme Court rejected FBM's appeal on 28 January 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 license, all capitalised costs associated with this license totalling US$3,439 thousand, were written off in the financial year 2021.

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$51,428 thousand as at 31 December 2024), including fines and penalties, and UAH259 million (US$6,161 thousand as at 31 December 2024). 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. As at the date of the approval of these consolidated financial statements, the hearings on the merits before the court of first instance are still ongoing. As a consequence, no provisions have been recorded as at 31 December 2024, either for the claims received or for any subsequent years. If FPM and FBM 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 85 to 87 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 reserves.

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 fully paid share capital of Ferrexpo plc at 31 December 2024 was 613,967,956 Ordinary Shares (2023: 613,967,956) at a par value of £0.10 paid for in cash, resulting in share capital of US$121,628 thousand (2023: US$121,628 thousand) per the statement of financial position. The interest of the Group's largest shareholder, Fevamotinico 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 2023 Annual Report and Accounts).

Further information in terms of rights, preferences and restrictions associated with the Company's ordinary shares are provided in the Directors' Report on pages 154 and 155.

As at 31 December 2024, 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 2023	31,780	(77,260)	(1,189)	(2,590,222)	(2,636,891)
Foreign currency translation differences	–	–	–	(54,847)	(54,847)
Tax effect	–	–	–	1,479	1,479
Total other comprehensive loss for the year	–	–	–	(53,368)	(53,368)
Share based payments	–	–	830	–	830
Effect from transfer of treasury shares	–	29,000	(15,865)	–	13,135
At 31 December 2023	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
Effect from transfer of treasury shares	–	–	–	–	–
At 31 December 2024	31,780	(48,260)	(15,904)	(2,776,520)	(2,808,904)

NOTE 31: SHARE CAPITAL AND RESERVES CONTINUED

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 comparative 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 of 31 December 2024 (2023: 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 2024, the employee benefit trust reserve includes 9,766,759 (2023: 9,801,643 shares), after the transfer of 9,513,000 shares on 10 March 2023 from the treasury share reserve.

TRANSLATION RESERVE

The Ukrainian hryvnia devalued from 37.982 to 42.039 compared to the US dollar during the year ended 31 December 2024. In the comparative year ended 31 December 2023, the local currency was unchanged at 36.568 from 1 January to 30 September 2023, before depreciating to 37.982 as at 31 December 2023. 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. See also the consolidated statement of comprehensive income on page 174.

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 239.

The Group does not have any other interests of 20% or more in undertakings that are not disclosed on page 239, 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. 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% (2023: 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 31.12.24	Year ended 31.12.23
Opening balance	4,616	5,167
Share of profit/(loss)	2,314	(372)
Translation adjustments	(580)	(179)
Closing balance	6,350	4,616

For the year ended 31 December 2024 the summarised financial information for the associate was as follows:

	Revenue		Net profit/ (loss)	
US$000	Year ended 31.12.24	Year ended 31.12.23	Year ended 31.12.24	Year ended 31.12.23
TIS Ruda LLC[1]	16,409	773	4,637	(745)

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 into Ukraine in February 2022. As a result of the ongoing war in Ukraine, the Group's seaborne sales through the Ukrainian Black Sea ports had been suspended since the beginning of the war, but resumed again during in January 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 2024, the associate's total assets were US$16,498 thousand (2023: US$14,345 thousand) and the total liabilities were US$3,773 thousand (2023: US$5,094 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.

The Group became aware that during the comparative year ended 31 December 2023, a governmental body in Ukraine tried to confiscate UAH355 million (US$8,445 thousand as at 31 December 2024) of TIS Ruda's available liquidity. The intention of the governmental body was not successful as the bank refused to confiscate the amount without a valid court order. The case was closed on 2 August 2024, following the cancellation of the act of forced alienation by the Ministry of Defence of Ukraine.

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% (2023: 49.9%). See Note 33 Investments in associates for further details. This is the only associated company of the Group.

The Group entered into a settlement agreement with Mr Zhevago on 23 July 2024 relating to amounts potentially owing to Mr Zhevago under his CEO contract. Mr Zhevago stepped down from his role as CEO of the Group in October 2019, and subsequently entered into contractual arrangements with the Group in December 2020 (as more particularly detailed in the 2020 Annual Report & Accounts). At the time of entering into these new contractual arrangements, the Group did not make any payments to Mr Zhevago for amounts outstanding under the CEO contract, including accrued vacation leave and payments in connection with the notice period. The total amount potentially owed to Mr Zhevago was US$714 thousand and was settled on 17 July 2024 with an amount owed by Mr Zhevago to the Group. As a benefit under the CEO contract, Mr Zhevago was entitled to receive fully furnished accommodation at the Group's expense and this arrangement continued until December 2023. Mr Zhevago has agreed to fully set-off the cost of the accommodation paid for by the Group against the sum potentially owed by the Group to him under the settlement agreement for the CEO contract.

Information on the Directors' fee payments made to the Non-executive Directors and Executive Directors is provided in the Remuneration Report on pages 143 to 151.

Related party transactions entered into by the Group during the years presented are summarised in the following tables:

REVENUE, EXPENSES, FINANCE INCOME AND EXPENSE

	Year ended 31.12.24			Year ended 31.12.23		
US$000	Entities under common control	Associated companies	Other related parties	Entities under common control	Associated companies	Other related parties
Other sales	302	–	–	271	–	1
Total related party transactions within revenue	302	–	–	271	–	1
Materials and services[a]	7,943	–	–	6,473	–	–
Spare parts and consumables[b]	3,151	–	–	1,730	–	–
Other expenses[c]	–	–	–	1,289	–	–
Total related party transactions within cost of sales	11,094	–	–	9,492	–	–
Selling and distribution expenses[d]	5,683	11,950	–	5,825	20	–
General and administration expenses[e]	121	–	844	200	–	691
Other operating expenses[f]	203	11	–	1,019	–	–
Finance expense	1	–	–	3	–	–
Total related party transactions within expenses	17,102	11,961	844	16,539	20	691
Total related party transactions	17,404	11,961	844	16,810	20	692

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 Kislorod PCC for US$1,048 thousand (2023: US$1,020 thousand);
a Purchases of cast iron balls from OJSC Uzhgorodsky Turbogas for US$5,506 thousand (2023: US$4,552 thousand); and
a Purchase of maintenance and construction services from FZ Solutions LLC for US$1,257 thousand (2023: US$779 thousand).
b Purchases of spare parts from CJSC Kyiv Shipbuilding and Ship Repair Plant ("KSRSSZ") in the amount of US$210 thousand (2023: US$218 thousand);
b Purchases of spare parts from OJSC Uzhgorodsky Turbogas in the amount of US$1,153 thousand (2023: US$746 thousand);
b Purchases of spare parts from FZ Solutions LLC of US$469 thousand (2023: US$372 thousand);
b Purchases of spare parts from Kislorod PCC in the amount of US$329 thousand (2023: US$256 thousand); and
b Purchases of spare parts from Valsa GTV of US$982 thousand (2023: US$137 thousand).
c Insurance premiums paid to ASK Omega for insurance cover in respect of mining equipment and machinery in the amount of US$1,289 thousand during the comparative period ended 31 December 2023. No such insurance premiums paid during the period ended 31 December 2024.
d Purchases of advertising, marketing and general public relations services from FC Vorskla of US$5,681 thousand (2023: US$5,823 thousand).
f Insurance premiums paid to ASK Omega for workmen's insurance and other insurances of US$804 thousand during the comparative period ended 31 December 2023. No such insurance premiums paid during the period ended 31 December 2024;
f Purchase of marketing services from TV & Radio Company of US$201 thousand (2023: US$210 thousand).

NOTE 34: RELATED PARTY DISCLOSURES CONTINUED

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).

d Purchases of logistics services in the amount of US$11,950 thousand (2023: US$20 thousand) relating to port operations, including port charges, handling costs, agent commissions and storage costs. The scope of the services procured from TIS Ruda is heavily affected by the ongoing war in Ukraine as the Group's seaborne sales through the port of Pivdennyi were suspended since the beginning of the war and resumed again in January 2024. 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.

e Legal and administrative services in the amount of US$657 thousand (2023: US$510 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$214 thousand for the financial year 2024 (2023: US$100 thousand).

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 31.12.24			Year ended 31.12.23		
US$000	Entities under common control	Associated companies	Other related parties	Entities under common control	Associated companies	Other related parties
Purchases in the ordinary course of business	3,109	–	–	3,499	–	–
Total purchases of property, plant and equipment	3,109	–	–	3,499	–	–

During the year ended 31 December 2024, the Group purchased major spare parts and equipment from FZ Solutions LLC totalling US$3,109 thousand (2023: US$3,499 thousand) in respect of the continuation of the Wave 1 pellet plant expansion and hydrogen projects.

The FPM Charity Fund owns 75% of the Sport & Recreation Centre ("SRC") in Goryshnye Plavnye/Horishni Plavni and made contributions totalling US$100 thousand during the year ended 31 December 2024 (2023: US$69 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 31.12.24			Year ended 31.12.23		
US$000	Entities under common control	Associated companies	Other related parties	Entities under common control	Associated companies	Other related parties
Other non-current assets[g]	517	–	–	3,001	–	–
Total non-current assets	517	–	–	3,001	–	–
Trade and other receivables[h]	155	2,416	–	71	3,125	–
Prepayments and other current assets[i]	93	–	–	124	389	–
Total current assets	248	2,416	–	195	3,514	–
Trade and other payables[j]	1,085	–	–	1,219	–	–
Total current liabilities	1,085	–	–	1,219	–	–

A description of the balances over US$200 thousand in the current or comparative year is given below.

Entities under common control

g Other non-current assets include prepayments for property, plant and equipment totalling US$517 thousand (2023: US$2,990 thousand) made to FZ Solutions LLC mainly in relation to the Wave 1 expansion project of the processing plant.

j Trade and other payables of US$549 thousand (2023: US$703 thousand) relate to the purchase of spare parts and services from FZ Solutions LLC; and

j Trade and other payables of US$316 thousand (2023: US$317 thousand) relate to the purchase of spare parts from Uzhgorodsky Turbogas, OJSC.

Associated companies

h Trade and other receivables of US$2,416 thousand (2023: US$3,125 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$278 thousand (2023: nil).

i Prepayments and other current assets relate to cargo storage services from TIS Ruda LLC in the amount of US$389 thousand in the comparative year ended 31 December 2023. No such prepayments as at 31 December 2024.

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.

NOTE 34: RELATED PARTY DISCLOSURES CONTINUED

During the financial years ended 31 December 2024, the Group made additional bail payments totalling UAH53 million (US$1,325 thousand at the applicable exchange rates) on behalf of three members of the senior management of one of the Group's subsidiaries in Ukraine, compared to UAH540 million (US$14,901 thousand at the applicable exchange rates) for four members during the comparative year ended 31 December 2023.

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.

One bail payment made during the comparative year ended 31 December 2023 in the amount of UAH400 million (US$11,062 thousand at the applicable exchange rate on date of payment) was a smaller related party transaction for the purposes of UK Listing Rules and, in accordance with the prevailing UK Listing Rules, the Group has obtained written confirmation from its sponsor that the terms of the transaction are fair and reasonable as far as the shareholders of Ferrexpo plc are concerned. Further to that, the Group made an announcement in accordance with UK Listing Rules on 2 November 2023.

NOTE 35: EVENTS AFTER THE REPORTING PERIOD

As announced on 4 February 2025, the Group's subsidiary Ferrexpo Poltava Mining ("FPM") has received a civil claim seeking joint liability of FPM and its General Director for damages amounting to UAH157 billion (approximately US$3.8 billion as at 14 March 2025) in favour of the Ukrainian state. This claim is in respect of investigations that commenced already in 2023 and resulted in a criminal claim. Further information on the criminal and civil claims received is provided on page 225 of Note 30 Commitments, contingencies and legal disputes, including the critical judgement made in respect of a potential recognition of a provision under IAS 37 Provisions, contingent liabilities and contingent assets.

On 12 February 2025, the National Security and Defence Council of Ukraine (the "NSDC") adopted the decision later enacted by the Presidential Decree No. 81/2025, to impose personal special economic and other restrictive measures ("sanctions") on certain individuals, including Mr Zhevago. These sanctions imposed on Mr Zhevago are personal in nature and have not been imposed on Ferrexpo plc, Ferrexpo AG ("FAG"), Ferrexpo Poltava Mining ("FPM") or any other member of the Ferrexpo Group.

The sanctions regime in Ukraine is primarily governed by the Law of Ukraine 'On Sanctions' ("Sanctions Law"), which strictly requires that the application of sanctions be based on the principles of legality, transparency, objectivity, proportionality to the intended purpose, and effectiveness.

As interpreted by the Ukrainian Supreme Court, the NSDC's decision on personal sanctions, along with the enacting presidential decree, constitutes an act of individual application. In other words, personal sanctions have an inherently individual character and apply strictly to the persons named in the NSDC's decision (i.e., the sanctioned individual). Under the Sanctions Law, a sanctioned person may be subject to an asset confiscation sanction, provided certain conditions are met. The law states that a sanctioned person may only be subject to asset confiscation if one of the following conditions are met:

- the assets being confiscated are directly owned by the sanctioned person; or
- the sanctioned person can directly or indirectly perform actions equivalent in substance to the right of disposal (i.e. the person can control the disposal of the assets)

In the case of Mr Zhevago, none of these conditions are met with respect to the assets of FPM. In particular, Mr Zhevago:

- has no ownership over any of the assets or corporate rights in FPM; and
- does not have any right of disposal or similar over any of Ferrexpo plc's subsidiaries (including FPM) or their assets.

Therefore, based on independent legal advice received by the Group, there is no legal basis under Ukrainian law to confiscate the assets or corporate rights in FPM. However, due to the lack of established clear rules on application of personalized sanctions, the Group remains exposed to the risks described below. See the section below on the critical judgement of this event.

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. The SBI stated that it is working with the Ministry of Justice of Ukraine to prepare the claim. As at the date of the approval of these consolidated financial statements, FPM has not received a formal notification of such claim. Under Ukrainian laws, the SBI has no authority to petition, bring claims or make proposals (both on nationalisation or on application of any asset-confiscation sanction) to the HACC. The proper authority should be the Ministry of Justice of Ukraine. The Group together with its legal advisors are assessing any potential implications. Such potential implications might include, but are not limited to:

- a claim by the Ministry of Justice of Ukraine to the HACC to apply for the asset-confiscation sanctions;
- enhanced checks on the Ferrexpo Group's Ukrainian entities by Ukrainian banks and potentially other commercial counterparties;
- challenges with taxes, including but not limited to complete refusal of VAT refunds; and/or
- restrictions on dividend distributions.

See the section below on the critical judgement of this event.

As announced on 5 March 2025, the SBI also 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 to Ukraine's Asset Recovery and Management Agency ("ARMA"), together with corporate rights in another 15 undisclosed legal entities. This transfer of corporate rights is in connection with on-going proceedings relating to Bank F&C. Based on independent legal advice, the only purpose for which management of property may be transferred to the ARMA is for preservation of real evidence relevant to a criminal proceeding. FAG's corporate rights, which, as it has been announced, have been transferred to the ARMA pursuant to the Transfer Order, cannot constitute real evidence and therefore cannot be legally transferred to the ARMA. See pages 222 and 223 of Note 30 Commitments, contingencies and legal disputes for further details on the ongoing case regarding the Shares freeze in connection with Bank F&C. See the section below on the critical judgement of this event.

NOTE 35: EVENTS AFTER THE REPORTING PERIOD CONTINUED

CRITICAL JUDGEMENTS

The events after the reporting period described above require critical judgement from the Group's management when preparing the consolidated financial statements for the year ended 31 December 2024 as certain information is unavailable to the Group.

With regard to the sanctions imposed against Mr Zhevago, these sanctions are personal in nature and have not been imposed on any member of the Ferrexpo Group. However, a tax authority may apply an adverse interpretation of sanctions rules and no longer make VAT refunds to any the Group's subsidiaries in Ukraine. It is likely that the Group's subsidiaries in Ukraine will not receive any VAT refunds until these sanctions against Mr Zhevago are lifted. As a consequence, the Group adjusted its long-term model to reflect the lower expected cash flow generation caused by the potential absence of VAT refunds in Ukraine, which would in turn negatively impact the carrying value of the Group's assets in future periods. This event is treated as a non-adjusting post balance sheet event. Based on the Group's updated long-term model, an additional impairment of approximately US$122,900 thousand, in addition to the US$71,170 thousand recorded as at 31 December 2024, would have to be recorded on the Group's assets to be tested for impairment. However, the actual impairment to be recorded in the Group's consolidated financial statements as at 30 June 2025 will also depend on the successful implementation of the initiatives planned in the Group's latest long-term model. See Note 13 Property, plant and equipment for further information on the Group's impairment test performed. In addition to the expected impact on the value in use of the Group's assets in future periods, the lower expected cash flow generation during the going concern period is expected to lead to lower available cash balances during this period. See Note 2 Basis of preparation for potential impacts on the Group's ability to continue as going concern.

With regard to the 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, the event is treated as a non-adjusting post balance sheet event. Based on the information available at the date of approval of these consolidated financial statements, it is impossible to estimate the possible financial impact in future periods. As at the date of the approval of these consolidated financial statements, no legal actions have been initiated by the Ministry of Justice of Ukraine. See Note 2 Basis of preparation for potential impacts on the Group's ability to continue as going concern.

With regard to possible transfer of 49.5% in the corporate rights of FPM to ARMA, 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 regards to the possible transfer of corporate rights of FPM. Based on independent legal advice from Ukrainian counsel, the management understands that FAG remains the 100% owner of FPM, and the management does not expect that the transfer of 49.5% of the corporate rights in FPM to ARMA will affect FPM's operations or affect the Group's ability to continue as a going concern.

No other material adjusting or non-adjusting events have occurred subsequent to the period-end other than the event 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 2024 and 2023, 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 31.12.24	As at 31.12.23
Fixed assets			
Investment in subsidiary undertakings	4	**129,907**	163,276
Total fixed assets		**129,807**	163,276
Current assets			
Debtors: amounts falling due within one year	5	**13,875**	10,577
Debtors: amounts falling due more than one year	5	**263,484**	275,653
Cash at bank and in hand		**138**	340
Total current assets		**277,497**	286,570
Creditors: amounts falling due within one year		**7,378**	8,636
Net current assets		**270,119**	277,934
Total assets less current liabilities		**400,026**	441,210
Net assets		**400,026**	441,210
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	**(15,904)**	(16,224)
Retained earnings	6	**157,450**	198,954
Total capital and reserves		**400,026**	441,210

The loss after taxation for the Company, registration number 05432915, was US$41,418 thousand for the financial year ended 31 December 2024 (2023: profit of US$16,640 thousand).

The financial statements were approved by the Board of Directors and authorised for issue on 18 March 2025 and signed on behalf of the Board.

Lucio Genovese
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 2023	121,628	185,112	(77,260)	(1,189)	195,884	424,175
Profit for the year	–	–	–	–	16,640	16,640
Total comprehensive income for the year	–	–	–	–	16,640	16,640
Equity dividends paid to shareholders	–	–	–	–	(435)	(435)
Share-based payments	–	–	–	830	–	830
Effect from transfer of treasury shares	–	–	29,000	(15,865)	(13,135)	–
At 31 December 2023	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**
At 31 December 2024	**121,628**	**185,112**	**(48,260)**	**(15,904)**	**157,450**	**400,026**

Notes to the Parent Company Financial Statements

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 and it is a member of the FTSE 250 Index.

The majority shareholder of the Company is Fevamotinico S.a.r.l. ("Fevamotinico"), a company incorporated in Luxembourg and ultimately owned by The Minco Trust, of which Kostyantin Zhevago and two other members of his family are the beneficiaries. At the time this report was published, Fevamotinico held 49.3% (49.3% at the time of publication of the 2023 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 143 to 151.

GOING CONCERN

As at the date of the approval of these financial statements, the war in Ukraine is still ongoing and, during the financial year, the Group continued to demonstrate its resilience and flexibility from an operating perspective, although the ongoing war continues to affect its financial results. The situation in Ukraine is unpredictable and continues to require the Group to be extremely flexible, as mining operations and production have to be adapted to the prevailing conditions. The regained access to Ukrainian Black Sea ports enabled the Group to expand its sales activities and increase its production to the highest level since the full-scale invasion of Ukraine in February 2022.

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. 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/or the current circumstances facing the 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 the approval of these consolidated financial statements.

Considering the current situation of the ongoing war and legal disputes in Ukraine and the events after the reporting period described in Note 2 Basis of preparation to the consolidated financial statements, the Company continues to prepare its financial statements on a going concern basis. This conclusion is based on the Group's ability to swiftly adapt to changing circumstances cause by the war and the independent legal advice received for the ongoing legal disputes in Ukraine. However, as explained above, many of the identified uncertainties in respect of the ongoing war and legal disputes are outside of the management's control, and are unpredictable, which may cast significant doubt upon 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 these consolidated financial statements, see also Note 2 Basis of preparation in respect of the Group's ability to continue as a going concern, Note 30 Commitments, contingencies and legal disputes in respect of other ongoing legal proceedings and disputes and Note 35 Events after the reporting period. 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. Investments are reviewed for impairment at each reporting date. If indication exists that investments may be impaired, the investments' recoverable amounts are estimated. If the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount, which is the higher of its fair value less costs of disposal and its value-in-use. 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.

FINANCIAL GUARANTEES

Financial guarantee liabilities issued by the Company, including guarantees issued in favour of subsidiary undertakings, are those contracts that require a payment to be made to reimburse the holder for a loss, which is incurred because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantees provided are initially recognised at fair value and subsequently measured at the higher of the loss allowances determined under IFRS 9 *Financial instruments* and the amount initially recognised less, when appropriate, cumulative fees recognised as revenue under IFRS 15 *Contracts with customers*.

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 taken to revenue reserves. 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 of 1 January 2024. 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.

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 2024, 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 2024 relates to the Company's investment in Ferrexpo AG, which is domiciled in Switzerland and wholly owned by the Company. The subsidiary's registered office is at Bahnhofstrasse 13, 6340 Baar, Switzerland.

See Additional Disclosures on page 237 for principal activities of subsidiaries.

US$000	As at 31.12.24	As at 31.12.23
Investment in subsidiary undertakings	129,907	163,276
Total investment in subsidiary undertakings	**129,907**	163,276

The impairment test performed as at 31 December 2024 resulted in an impairment loss of US$33,689 thousand (2023: nil) for the Company's investment in subsidiary undertakings.

See Note 32 Consolidated subsidiaries to the Group's consolidated financial statements for further information on subsidiaries indirectly held by the Company.

Non-adjusting post balance sheet event

As disclosed in Note 7 Events after the reporting period, the sanctions imposed on Mr. Zhevago are personal in nature and have not been imposed on any member of the Ferrexpo Group. However, a tax authority may apply an adverse interpretation of sanctions rules and no longer make VAT refunds to any the Group's subsidiaries in Ukraine. It is likely that the Group's subsidiaries in Ukraine will not receive any VAT refunds until these sanctions against Mr. Zhevago are lifted. As a consequence, the Group adjusted its long-term model to reflect the lower cash flow generation caused by potential absence of VAT refunds in Ukraine, which would in turn negatively impact the carrying value of the Company's investment in subsidiary undertakings in future periods.

In addition, as disclosed in Note 7 Events after the reporting period, there is 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 the Company's investment in subsidiary undertakings.

NOTE 5: DEBTORS

Debtors as at 31 December 2024 related to the following:

US$000	As at 31.12.24	As at 31.12.23
Amounts falling due within one year		
Prepaid Expenses	584	942
Accrued Interest owed by subsidiary undertakings	13,291	9,635
Total amount falling due within one year	**13,875**	10,577
Amounts falling due after more than one year		
Amounts owed by subsidiary undertakings	263,484	275,045
Deferred tax asset	–	608
Total revenue	**263,484**	275,653
Total debtors	**277,359**	286,230

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$1,337 thousand for the year ended 31 December 2024 (2023: gain of US$830 thousand). The total expected credit loss allowance booked on the statement of financial position was US$1,941 thousand as at 31 December 2024 (2023: US$604 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 fully paid share capital of the Company as at 31 December 2024 was 613,967,956 Ordinary Shares (2023: 613,967,956 Ordinary Shares) at a par value of £0.10 paid for in cash, resulting in share capital of US$121,628 thousand (2023: US$121,628 thousand) per the statement of financial position.

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 comparative year ended 31 December 2023, the Group transferred 9,513,000 shares on 10 March 2023 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 of 31 December 2024 (2023: 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 9,766,759 shares as at 31 December 2024 (2023: 9,801,643 shares), including 9,513,000 shares transferred on 10 March 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 of 31 December 2024 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$77,500 thousand as of 31 December 2024 (2023: US$119,520 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

As announced on 4 February 2025, and disclosed in Note 30 Commitments, contingencies and legal disputes to the consolidated financial statements of the Group, the Group's subsidiary Ferrexpo Poltava Mining ("FPM") has received a civil claim seeking joint liability of FPM and its General Director for damages amounting to UAH 157 billion (approximately US$3.8 billion as at 4 March 2025) in favour of the Ukrainian state.

On 12 February 2025, the National Security and Defence Council of Ukraine (the "NSDC") adopted the decision later enacted by the Presidential Decree No. 81/2025, to impose personal special economic and other restrictive measures ("sanctions") on certain individuals, including Mr. Zhevago. These sanctions imposed on Mr. Zhevago are personal in nature and have not been imposed on Ferrexpo plc, Ferrexpo AG ("FAG"), Ferrexpo Poltava Mining ("FPM") or any other member of the Ferrexpo Group. The event is treated as a non-adjusting post balance sheet event.

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. The SBI stated that it is working with the Ministry of Justice of Ukraine to prepare the claim. As at the date of approval of these consolidated financial statements, FPM has not received a formal notification of such claim. The event is treated as a non-adjusting post balance sheet event.

As announced on 5 March 2025, the SBI also 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 of FPM to Ukraine's Asset Recovery and Management Agency ("ARMA"), together with corporate rights in another 15 undisclosed legal entities. This transfer of corporate rights is in connection with on-going proceedings relating to Bank F&C. Based on independent legal advice, the only purpose for which management of property may be transferred to the ARMA is for preservation of real evidence relevant to a criminal proceeding. The event is treated as a non-adjusting post balance sheet event.

More detailed information on the critical judgements required in relation to these events can be found in Note 35 Events after the balance sheet date and Note 2 Basis of preparation relating to the Group's ability to continue as a going concern, both of which form part of the consolidated financial statements.

No other material adjusting or non-adjusting events have occurred subsequent to the period-end other than the event disclosed above.

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	31.12.24 %	31.12.23 %
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.	Naberezna 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	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	51.0	51.0
Ferrexpo Singapore PTE Ltd.	1 Fullerton Road, One Fullerton #02-01, Singapore 049213, Singapore	Marketing services	100.0	100.0
Ferrexpo Shipping International Ltd.	Ajeltake Road, MH-96960 Ajeltake Island – Majuro, Marshall Islands	Holding company	100.0	100.0
Iron Destiny Ltd.	Ajeltake Road, MH-96960 Ajeltake Island – Majuro, Marshall Islands	Shipping company	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 Liqu.	Handelskai 348, 1020 Wien, Austria	Barging company	100.0	100.0
DDSG Tankschiffahrt GmbH in Liqu.	Handelskai 348, 1020 Wien, Austria	Barging company	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	100.0	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	100.0	100.0
LLC DDSG Ukraine Shipping Management	Patris Lumumba Street 4/6, 01042 Kyiv, Ukraine	Barging company	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 Fund[1]	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 OCI[2]				
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.

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 2024 Annual Report.

C1 CASH COST OF PRODUCTION

Definition: Non-financial measure which represents the cash cost of production of iron pellets from own ore divided by production volume of own production ore. Non-C1 cost components include non-cash costs such as depreciation, inventory movements and costs of purchased ore and concentrate. The Group presents the C1 cash cost of production because it believes it is a useful operational measure of its cost competitiveness compared to its peer group.

US$000	Notes	Year ended 31.12.24	Year ended 31.12.23
C1 cash costs		**509,146**	294,213
Non-C1 cost components		**57,380**	45,136
Inventories recognised as an expense upon sale of goods	7	**566,526**	339,349
Own ore produced (tonnes)		**6,070,541**	3,845,325
C1 cash cost per tonne (US$)		**83.9**	76.5

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 31.12.24	Restated Year ended 31.12.23
Underlying EBITDA		**69,310**	98,871
Losses on disposal and liquidation of property, plant and equipment	7	**(231)**	(11)
Share-based payments	28	**(320)**	(830)
Write-offs and impairments	7	**(71,871)**	(978)
Recognition of provisions for legal disputes	30	**–**	(131,117)
Depreciation and amortisation		**(60,281)**	(57,669)
Operating foreign exchange losses		**83,321**	31,371
Profit/(loss) before tax and finance		**19,928**	(60,363)

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	Year ended 31.12.24	Year ended 31.12.23
Cash and cash equivalents	25	**105,919**	115,241
Lease liabilities – current	26	**(4,665)**	(5,939)
Lease liabilities – non-current	26	**(419)**	(1,009)
Net cash		**100,835**	108,293

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	As at 31.12.24	As at 31.12.23
Purchase of property, plant and equipment and intangible assets (net cash flows used in investing activities)	13/15	**101,688**	101,247

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 2024, or at the end of the comparative year ended 31 December 2023. 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 31.12.24	As at 31.12.23
Cash and cash equivalents	25	**105,919**	115,241

Glossary

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 unit costs
Represents the cash costs of production of iron ore concentrates and pellets from own ore, divided by production volume from own ore, and excludes non-cash costs such as depreciation, pension costs and inventory movements, costs of purchased ore, concentrate and 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
2018 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

PXF
Pre-export finance

Rail car
Railway wagon used for the transport of iron ore concentrate or pellets

Relationship Agreement
The relationship agreement entered into among Fevamotinico S.a.r.l., Kostyantin Zhevago, The Minco Trust and the Company

Remuneration Committee
The Remuneration Committee of the Board

Glossary

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/Kostyantin Zhevago
Kostyantin Zhevago, one of three beneficiaries of The Minco Trust. The Minco Trust is the indirect parent undertaking of Fevamotinico S.a.r.l. which in turn holds 49.3% of the voting rights in Ferrexpo plc as at the date of this report.

Useful contact information

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The paper is Carbon Balanced with World Land Trust, an international conservation charity, who offset carbon emissions through the purchase and preservation of high conservation value land. Through protecting standing forests, under threat of clearance, carbon is locked-in, that would otherwise be released.

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