3 September 2026

Ferrexpo plc

(“Ferrexpo” or the “Company” or the “Group”)

Full Year Financial Results for 2025

Ferrexpo plc (LSE: FXPO), a producer and exporter of premium iron ore pellets, announces its audited financial results for the year ended 31 December 2025.

Lucio Genovese, Executive Chair of Ferrexpo, commented:

“In my full statement below, I reflect on 2025 as a year during which Ferrexpo demonstrated an iron will and newfound levels of agility. As the war entered its fourth year, our people once again showed remarkable determination and readiness to keep going, allowing the business to adapt to the rapidly changing environment in which we operate.

During 2025, the Group faced increasing external challenges which hindered our ability to operate and generate the socio-economic contributions we provide for our people and Ukraine. The decision by tax authorities to continue to withhold VAT refunds during the year put pressure on our working capital availability and ultimately forced us to reduce our pellet line capacity from the 50% capacity we were achieving early in the year down to 25%.

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

We opened 2025 with a cash position of US$106 million and started the year on a strong operational footing. The first quarter of 2025 recorded our best quarterly production since the full-scale invasion of Ukraine, once again down to the resilience and fortitude of our brave workforce, an increase in production of high-grade concentrates – sold to customers in Asia – and stable production of Ferrexpo premium pellets.

However, the withheld VAT refunds and power-related disruptions had a significant impact on our financial performance, and we ended the year with cash of US$58 million. The total amount of VAT that was withheld in 2025 is US$61 million, which we have recorded as a receivable in our accounts. Effectively ‘adding this back’ to the year-end net cash position, we would have a liquidity position of US$119 million, which is higher than at the start of the year. The situation has been detrimental to our business, and has also, indirectly, caused harm to a broader set of stakeholders. Employees, communities and suppliers all received lower contributions from Ferrexpo in 2025.

There is no doubt that 2025 was another extremely difficult year for our people in Ukraine. I am grateful to every colleague for their resilience and commitment and to our shareholders for their continued support. Our business is very different today from what it was before the full-scale invasion, and I am hopeful that the agility and iron will we have developed will serve us well in the future. For now, we must remain vigilant, focused on keeping our people safe, protecting our assets, and continuing our efforts to recover the VAT refunds.

As we have announced, these operating conditions have continued in 2026 which have resulted in the Group needing additional capital to meet immediate and short-term operational requirements while operating at a reduced level for the next 18 months and to continue as a going concern. Therefore, we will be announcing the intention to launch an equity capital raise to raise gross proceeds of approximately US$100 million through a conditional placing and conditional subscription of new Ordinary Shares”

2025 Financial highlights[1*]

- Revenue decreased by 16% to US$787 million in 2025. This was mainly due to lower realised prices and the higher proportion of iron ore concentrate sales, which generated less revenue due to lower sales prices (2024: US$933 million).
- Underlying EBITDA decreased by 60% to US$28 million, mainly due to lower sales volumes and an increase in lower margin iron ore concentrate, which made up a larger part of the sales mix in 2025 (2024: US$69 million). Underlying EBITDA margin was 3% (2024: 7%).

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[1] *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”) - see pages 72 to 73 for more information*

- Net cash flow from operating activities was US$3 million, a significant decline driven by lower realised prices and withheld VAT refunds (2024: US$92 million).
- For 2025, the Group reported a loss of US$224 million, largely due to a non-cash impairment loss of US$154 million on the Group's non-current operating assets (2024: US$50 million).
- During 2025, the Group significantly reduced its capital expenditure programme, with spending decreasing to US$49 million (2024: US$102 million).
- Despite the challenging environment, the Group is essentially debt free, with a net cash position of US$47 million as at 31 December 2025 (31 December 2024: US$101 million). With the exception of lease liabilities totalling US$11 million (31 December 2024: US$5 million), the Group did not have any outstanding interest-bearing loans and borrowings as of 31 December 2025.

Financial summary

US$ million (unless stated otherwise)	*2025*	*2024*	*YoY change*
Total pellet production (kt)	*3,221*	*6,071*	*(47%)*
Total commercial concentrate production	*2,920*	*709*	*311%*
Total commercial production	*6,141*	*6,781*	*(9%)*
Sales volumes (kt)	*6,553*	*6,830*	*(4%)*
Average annual iron ore price (65% Fe US$/t)	*115*	*123*	*(7%)*
Revenue	*787*	*933*	*(16%)*
C1 cash cost of production (US$/t)	*76.3*	*77.5*	*(2%)*
Underlying EBITDA	*28*	*69*	*(60%)*
Diluted loss per share (cents)	*38.06*	*8.51*	*347%*
Net cash flow from operating activities	*3*	*92*	*(96%)*
Capital investment	*49*	*102*	*(52%)*
Closing net cash	*47*	*101*	*(53%)*

Safety and wellbeing

- Tragically, five colleagues were killed serving in the Armed Forces of Ukraine during 2025, bringing the total to 56 between February 2022 and December 2025.
- The Group's LTIFR in 2025 fell to 0.38 from 0.54 in the previous year. The rate also fell back below the historic five-year rolling average of 0.52.
- In 2025, the Group recorded a fifth successive year without a workplace fatality.

Market factors

- During 2025, prices for the benchmark premium 65% Fe price fell 7% and the Atlantic blast furnace premium by 24% on average for the year.
- Weak demand in Europe for iron ore pellets resulted in a pivot to production and sales of concentrates to China, which, although premium products, are lower priced than pellets.

Operational factors

- Total iron ore production for FY2025 remained above 6 million tonnes for the second year in a row at 6.1 million tonnes. This is 9% lower than the 6.8 million tonnes produced in 2024 despite the challenging conditions, still significantly higher than the 4.2 million tonnes produced in 2023.
- Throughout 2025, the Group successfully pivoted to shifting market demand, increasing the production of premium grade iron ore concentrate to an all-time record of 2.9 million tonnes, 48% of the total production mix compared to 10% in 2024.
- The Group continued to work extensively to manage its working capital and costs in a difficult operating environment. This included reduced working time for employees, ongoing cuts in procurement of goods and services and the continued suspension of all non-essential CapEx, overheads, and corporate social responsibility ("CSR") spending.

ESG factors

- Scope 1 and 2 emissions on a per tonne unit basis decreased by 15% to 80kg/t 2025, compared to 94kg/t in 2024. The increase reflects a mandatory requirement in Ukraine to import up to 80% of the operation's electricity needs from abroad depending on domestic availability.
- Absolute Scope 1 and 2 emissions decreased by 23% year-on-year, reflecting lower annual production.
- During the year, the Group produced no DR pellets, a sharp contrast to the previous year. Consequently, Scope 3 emissions on a unit basis increased from 1.3tCO_2/t of overall production in 2024 to 1.6tCO_2/t in 2025.
- Absolute Scope 3 emissions increased 8% year-on-year, reflecting the concentrate-centred overall production and increased seaborne logistics.

Corporate governance

- In January 2025, Non-executive Director Natalie Polischuk resigned from the Board of Ferrexpo plc. Ms Polischuk was Chair of the Health, Safety, Environment and Communities ("HSEC") Committee, a member of the Audit Committee and a member of the Committee of Independent Directors.
- On an interim basis, Fiona MacAulay, Senior Independent Non-executive Director was appointed a member of the Audit Committee and also appointed as Chair of the HSEC Committee.
- Following nine years' service on the Board, Non-executive Director and Director Designate for workforce engagement Vitalii Lisovenko, did not stand for re-election and retired at the AGM held on 29 June 2026. Mr Lisovenko was the Chair of the Committee of Independent Directors ("CID), a member of the Audit, Nominations and Remuneration Committees. On 30 July 2026, the Board appointed Stuart Brown as Chair of the CID.
- Mr Lisovenko was the Company's only Director based in Ukraine. Following his retirement, the Company is unable to appoint a replacement Director Designate for workforce engagement, as none of the remaining Directors are based in Ukraine or able to travel to Ukraine to engage with the workforce. Given the importance of having a Director with direct access to the workforce and a thorough understanding of the local operating environment, the Board concluded that appointing a Director based outside Ukraine would not provide the same level of meaningful engagement. The Board will keep this position under review and will consider making a new appointment as soon as practically possible.
- Following Ms Polischuk's and Mr Lisovenko's resignations, the Board continues to have a majority of independent Non-executive Directors. As previously announced, the Company has an ongoing process to search for a new independent Non-executive Director and as part of this search, the Company will also take into account ethnic and gender diversity on the Board.

Post-period activities

- At the end of February 2026, the Group reported an improvement in the rolling 12-month Lost Time Injury Rate ("LTIFR") to 0.17, falling back below the historic five-year trailing average of 0.44. Zero workplace fatalities have been reported for more than five years.
- Production activities were largely suspended in Q1 due to nationwide attacks on Ukrainian electricity generation and transmission infrastructure. Production recommenced in late February 2026 with only limited resumption of operations at reduced capacity levels.
- As set out in the Trading Update announced on 1 April 2026, the Group's focus has been to extensively manage its working capital and costs in a difficult operating environment. This has included reduced working time for employees, ongoing cuts in procurement of goods and services and the continued suspension of all non-essential CapEx, overheads, and corporate social responsibility ("CSR") spending.
- On 24 February 2026, the Group announced that a local court in Poltava, Ukraine, ruled to open bankruptcy proceedings against Ferrexpo Poltava Mining ("FPM") in connection with an ongoing civil claim by Maxi capital group ("Maxi Capital").
- The Group maintains that the local court opened bankruptcy proceedings without a final decision by the Supreme Court on the main litigation having been made and notwithstanding the decision of the Supreme Court dated 1 April 2024 to suspend possible enforcement against FPM.
- As announced on 22 April 2026, the Group entered into an agreement for the sale of its owned transhipping vessel "Iron Destiny" for a total net cash consideration of US$7.7 million and as announced on 29 June 2026 the Group received the proceeds from the sale.
- In order to strengthen the Group's working capital position and fund its ongoing operations, the Company intends to launch an equity capital raise to raise gross proceeds of approximately US$100 million through a conditional placing and conditional subscription of new Ordinary Shares, which is still conditional on the relevant resolutions being passed by the shareholders of Ferrexpo plc.

Accounts Meeting

The Company intends to convene a separate shareholder meeting following the publication of the 2025 Annual Report and Accounts where resolutions that were not put to the Annual General Meeting held on 29 June 2026 will be tabled. Further details of this meeting will be provided in due course

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Notes to Editors

Ferrexpo is a Swiss headquartered iron ore company with assets in Ukraine and a listing in the equity shares commercial companies category on the London Stock Exchange (ticker FXPO). The Group produces premium grade iron ore products sold to the global steel industry and enabling steel makers to reduce carbon emissions and increase productivity. Ferrexpo's operations have been supplying the global steel industry for over 50 years with a customer base comprising of premium steel mills around the world. For further information, please visit **www.ferrexpo.com**.

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INTERIM EXECUTIVE CHAIR'S LETTER

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

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

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

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

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

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

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

War

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

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

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

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

This also reminds me of an important factor that is less well understood in Western Europe. As my fellow Board member, Fiona MacAulay explains in her Q&A in this report, the most important thing that we can do during a time of war is to continue to operate. She notes that at the start of the full-scale invasion of Ukraine, our people wanted to stay and wanted to continue working. This continues to remain vitally important, because as she says, it not only keeps Ferrexpo relevant, and ensures sustainable livelihoods and communities, but also, it means that we are part of the rear that helps to sustain the front. There is no front without the hard work and energy that our employees endure to provide fiscal, social and humanitarian contributions.

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

VAT

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

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

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

This decision to withhold the VAT refunds we are entitled to receive has had a severe impact on our business, our people and the broader communities. In response to the foreseeable reduction in our available liquidity, in April we were forced to move quickly to downscale production and cut costs. It is regrettable that we have had to place people on reduced working hours or furlough. We also implemented programmes to optimise stripping rates, repairs and maintenance, and reduce non-essential spending across the business, including capital expenditure, corporate and social responsibility activities, and humanitarian funding.

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

Energy

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

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

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

Liquidity and cash

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

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

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

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

Thanks

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

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

Lucio Genovese

Interim Executive Chair, Ferrexpo Plc

GROUP CHIEF FINANCIAL OFFICER'S STATEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

Thank you. Slava Ukraini.

Nikolay Kladiev
Group Chief Financial Officer

MARKET REVIEW

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

Diversification on all fronts

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

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

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

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

Ukrainian Black Sea ports

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

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

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

Customer growth markets

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

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

Steel market

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

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

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

Iron ore market

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

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

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

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

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

Iron ore pellet market

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

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

Shipping

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

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

2026 outlook

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

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

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

Summary of industry key statistics

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

OPERATING DURING A TIME OF WAR

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

People

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

Colleagues serving in and returning from the Armed Forces of Ukraine

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

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

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

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

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

Local communities

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

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

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

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

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

Operations and logistics

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

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

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

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

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

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

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

REMEMBERING THOSE WE HAVE LOST

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

2022

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

2023

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

2024

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

2025

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

SLAVA UKRAINI

OUR PEOPLE

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

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

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

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

Workforce composition

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

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

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

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

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

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

Workforce planning

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

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

Managing the workforce composition in 2025 was particularly complex for two reasons. First, due to the withholding of VAT refunds, we were forced to downscale production and operate at a level within the constraints of lower liquidity. Reducing our activities across all areas of the business, from our mines to the ports, meant that more people were available than work required. This demanded significant additional flexibility from our people as we sought to optimise the availability of skills on an as-and-when basis. The second challenge in 2025 arose from attacks on the regional power infrastructure in November and December. There were periods of time when there was no or limited power. This required us to send people home and delicately balance the workforce according to the available power and gradually increase staffing as power was restored. During these times, not all parts across the production cycle were operational, adding further complexity as employees had to be rotated in and out of work depending on which part of the business was running.

Employee engagement survey

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

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

Workforce statistics

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

OPERATIONAL REVIEW

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

Operations

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

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

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

Health and safety

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

Reserves and Resources and mines

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

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

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

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

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

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

More information detailing the Group's JORC-compliant Ore Reserves and Mineral Resources as at 1 January 2026 is detailed below.

Mining activities

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

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

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

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

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

Processing and beneficiation activities

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

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

Ukrainian logistics

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

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

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

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

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

Belanovo update

Ukraine, mining and development activities at FBM have been temporarily suspended.

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

FBM continues to cooperate with state authorities and Ukrainian business associations with the aim to extend the validity period of Special Permit No. 3572 after the eventual lifting of martial law. This includes efforts to initiate amendments to the Subsoil Code of Ukraine. At the present time, the Ukrainian Parliament is considering draft legislation titled: "On Amendments to the Subsoil Code of Ukraine to Improve Legal Regulation of Subsoil Use and Provide Guarantees to Investors" (Registration No. 14249 dated 26.11.2025). This draft legislation proposes amendments to Part 5 of Article 15 of the Subsoil Code of Ukraine, about the extension of the validity of special permits for 24 months after the lifting of martial law. FBM participated in the initiative to develop this draft legislation together with the National Association of Extractive Industries of Ukraine.

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

C1 cash cost of production

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

	2025	2024
Electricity	**34%**	32%
Natural gas and sunflower husks	**10%**	7%
Fuel (including diesel)	**6%**	9%
Materials	**13%**	12%
Personnel	**10%**	8%
Maintenance and repairs	**14%**	17%
Grinding media	**5%**	6%
Royalties	**7%**	7%
Explosives	**1%**	2%

The numbers above are rounded to full decimals.

In 2025, the proportion of the C1 costs per tonne for electricity increased to 34% (2024: 32%). The average electricity price in Ukraine in 2025 increased by 11% in US dollar terms, peaking at US$173 per megawatt hour ("MWh") in February 2025 compared to an average of US$136 per MWh in 2024. The proportion of natural gas increased to 10% (2024: 7%) due to price increases – the average price of natural gas increased by 44% in local currency terms and 38% in US dollar terms, respectively. The proportion of fuel decreased from 9% in 2024 to 6%, mainly due to the reduction of the Group's mining activities in 2025. As a result, total fuel costs and therefore fuel proportion decreased, driven in part by lower fuel prices in 2025.

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

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

C4 cash cost of production

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

	2025	2024
Electricity	**40%**	34%
Fuel (including diesel)	**10%**	11%
Materials	**6%**	7%
Personnel	**10%**	8%
Maintenance and repairs	**15%**	19%
Grinding media	**7%**	8%
Royalties	**10%**	9%
Explosives	**2%**	2%

The numbers above are rounded to full decimals.

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

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

Breakdown of C4 costs

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

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

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

Outlook

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

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

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

Operational performance

(000't unless otherwise stated)	**2025**	2024	YoY Change
Production			
Iron ore mined	**16,849**	20,278	-17%
Strip ratio	**1.4**	2.2	-37%
Iron ore processed	**14,500**	16,331	-11%
Concentrate production	**6,068**	6,723	-10%
Pellet production	**3,221**	6,071	-47%
– Direct reduction pellets (67% Fe)	**82**	490	-83%
– Premium pellets (65% Fe)	**3,140**	5,581	-44%
Commercial concentrate production	**2,920**	709	+312%
Total commercial production	**6,142**	6,780	-9%
Iron ore sales			
– Pellets	**3,701**	6,010	-38%
– Concentrate	**2,851**	819	+248%
– Total products sold	**6,553**	6,830	-4%

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

JORC-Compliant Ore Reserves and Mineral Resources[1]

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

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

The last updates of our Reserve and Resource estimates were conducted in August 2020, 17 months before the full-scale invasion of Ukraine. Both Gorishne-Plavninske-Lavrykivske ("GPL" or "FPM") and Yerystivske ("Yeristovo" or "FYM") Deposits were re-estimated in a joint effort with Bara Consulting Pty Ltd, Tecoma Strategies Ltd and Ferrexpo Services Ltd. The Competent Persons from all these parties have been involved in the mining industry for several decades in various roles, have international experience in exploration, geostatistics, resource and reserve estimation, project development, and in the economic evaluation of mineral deposits including iron ore, are members of professional institutions such as the Australian Institute of Geoscientists and Australian Institute of Mining and Metallurgy, are bounded by the AIG Code of Ethics and the South African Natural Scientists Act, as well as by personal declarations, and are independent from the Company.

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

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

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

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

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

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

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

All deposits have been depleted for mining during the 2025 financial year. The Competent Person updated the FPM and FYM deposits as of 1 January 2026 by assigning digital terrain wireframes for current pit surfaces to modernised Resources and Reserves models, and subtracted the mined ore volumes from the Total Resource and Reserves figures as of 1 January 2026. Reconciliation of the model against actual mining data reported to DKZ has been conducted. Accuracy of both FPM and FYM models considering modelled and actually mined ore tonnages and grades in 2025 is below 2% difference. Considering that the Resources and Reserves estimates are not exact calculations, the estimated tonnages and grades were rounded to the nearest whole numbers as prescribed by the JORC Code (2012) reporting rules.

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

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

JORC-Compliant Ore Reserves and Mineral Resources[1]

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

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

* Formally in Ukraine known as *Gorishne-Plavninske-Lavrykivske (“GPL”), **Yerystivske and ***Bilanivske.

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

FINANCIAL REVIEW

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

Summary

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

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

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

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

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

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

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

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

Key Financial Performance Indicators

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

Revenue

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

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

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

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

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

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

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

Cost of sales and cost of production

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

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

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

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

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

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

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

The Group's business activities are energy-intensive and depend on stable supply of energy. The main costs components are electricity, natural gas and diesel fuel, which collectively represent 50% (2024: 48%) of the total cost base for pellet production and 50% (2024: 45%) for concentrate production. Due to the ongoing war in Ukraine, the

Group's production costs continue to be influenced by higher prices for raw materials such as gas and electricity. Further to that, the continued Russian attacks on the Ukrainian energy infrastructure affected the supply of electricity to the Group's operations. Following attacks towards the end of 2025, the supply of power was interrupted and production temporarily suspended, negatively affecting the Group's production volume.

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

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

Selling and distribution costs

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

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

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

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

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

General and administrative expenses

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

See Note 15 Commitments, contingencies and legal disputes to these consolidated Financial Statements for the current environment in Ukraine facing the Group, and further information on the ongoing legal challenges and disputes of the Group in Ukraine.

Write-offs and Impairments

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

See Note 10 Property, plant and equipment for further information on the critical estimates and judgements required by management.

Currency

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

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

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

See Note 15 Commitments, contingencies and legal disputes to these Consolidated Financial Statements for further information.

Ukrainian hryvnia vs. US dollar[1]
Spot 28.08.2026 44.545
Opening rate 01.01.25 42.039
Closing rate 31.12.25 42.388
Average 2025 41.689
Average 2024 40.152

Operating and non-operating foreign exchange gains/losses

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

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

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

For further information on the operating foreign exchange gains and the non-operating foreign exchange losses, please see Note 6 Foreign exchange gains and losses to these Consolidated Financial Statements.

Underlying EBITDA

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

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

Net finance expense

The Group's finance expenses in 2025 remained stable at US$5 million, compared to 2024. With the exception of lease liabilities, the Group does not have any outstanding interest-bearing loans or borrowings, therefore no interest expenses on finance facilities were incurred. As in the prior year, the majority of finance expense relates to the

[1] Source: National Bank of Ukraine

calculated interest on the Group's pension scheme, totalling US$3 million in 2025 and US$2 million in 2024, without any cash outflow effects, and to bank charges. At the same time, interest income decreased from US$4 million in 2024 to US$2 million in 2025, mainly due to lower available funds invested in deposits.

Further details on finance expense are disclosed in Note 7 Net finance expense to these Consolidated Financial Statements.

Income tax

The Group's income tax expense decreased to US$11 million in 2025, compared to US$30 million in 2024. The income tax expense in 2025 is net of a refund of US$4 million received following the final taxation of a prior year in Switzerland and also includes the effects of top-up taxes totalling US$1 million that will become payable in Switzerland and the United Arab Emirates under the BEPS Pillar Two rules. The lower income tax expense is because some of the Group's subsidiaries realised losses in 2025. The income tax expense also includes the effect of additional allowances of US$12 million recorded on deferred tax assets recognised in Ukraine. The Group's overall loss position is due to the significant impairment loss recorded as at 30 June 2025 on the Group's non-current assets, which is due to the downscaling of the Group's operations as a result of the suspended VAT refunds. The suspension of VAT refunds in Ukraine affects the Group's current and expected future cash flow generation and profitability.

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

The effective tax rate in 2025 financial year was positive at +5.7% and therefore not comparable to previous periods. The reason for the positive effective tax rate is that the Group is in a loss position even before the recorded impairment losses and that no deferred tax assets on the resulting tax loss carry forwards were recognised. This is because it is currently uncertain whether and when the Group's subsidiaries in the various jurisdictions will be able to benefit from this in the near future. The lower or negative profitability of the Group's subsidiaries also had an impact on the income taxes payable in the different jurisdictions, historically, particularly in Ukraine. As a result, the income tax paid by the Group decreased to US$3 million, compared to US$23 million in 2024, of which US$16 million was paid in Ukraine. The income tax paid in 2025 includes withholding tax paid in Ukraine on intercompany interest payments totalling US$2 million (2024: US$2 million), to be considered as income tax payments.

Further details on taxation are disclosed in Note 8 Taxation to these Consolidated Financial Statements.

Items excluded from underlying earnings

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

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

See Note 10 Property, plant and equipment to these Consolidated Financial Statements for further details.

Loss for the year

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

Cash flows and cash equivalents

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

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

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

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

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

For further information see Note 15 Commitments, contingencies and legal disputes to these Consolidated Financial Statements.

Capital expenditures

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

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

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

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

For further information see Note 15 Commitments, contingencies and legal disputes to these Consolidated Financial Statements.

Debt and maturity profile

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

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

Related party transactions

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

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

See also section below, Note 15 Contingent liabilities and legal disputes and Note 16 Related party disclosures to these Consolidated Financial Statements for further details.

Contingent liabilities and legal disputes

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

Regarding the ongoing contested sureties case before the Supreme Court of Ukraine, there were several court hearings in 2025 and 2026, but no final ruling was made. In May 2025, the counterparty filed an application with the Commercial Court of the Poltava Region to start bankruptcy proceedings against FPM. A court of first instance accepted this application on 24 February 2026, and bankruptcy proceedings officially began on this date, despite the fact that the legal dispute over the contested sureties between FPM and LLC "Maxi Capital Group" is still being reviewed by the Supreme Court of Ukraine, which had issued an order on 1 April 2024 to suspend enforcement on the contested sureties claim. As part of this decision, the court appointed an insolvency manager to oversee FPM.

However, the current FPM management team is still in place and continues to run the business and the Group does control FPM. FPM filed an appeal against the decision of the court of first instance on the beginning of the bankruptcy proceedings, which however does not stop the ongoing bankruptcy process. The first hearing of the appeal took place on 9 April 2026, followed by a hearing on 30 April 2026, when a new panel of judges has been appointed. There were further hearings on 2 June 2026 and 27 July 2026 and, on 18 August 2026, the court of appeal in Kharkiv dismissed FPM's appeal. On 21 August 2026, FPM filed a cassation appeal to the Supreme Court of Ukraine, which likewise does not stop the ongoing bankruptcy process.

As announced on 4 February 2025, the Group's subsidiary FPM has been informed of a civil claim which was filed seeking joint liability of FPM and its General Director for damages amounting to UAH157 billion (approximately US$3.7 billion as at 31 December 2025) in favour of the Ukrainian state. This claim is related to an initial accusation of the illegal sale of waste products, as disclosed in the Group 2024 Annual Report and Accounts, which has evolved into accusations that FPM is illegally mining and selling subsoil (minerals other than iron ore), alleged to have caused environmental damage. FPM rejects these allegations in their entirety on the basis that there was no illegal extraction of the subsoil. Management is of the opinion that these accusations, as well as the claim, are without merit. Even if a court in Ukraine were to conclude that illegal mining and sale of subsoil occurred, the extent of this claim remains incomprehensible. The Group's management maintains that no reliable estimate can be made as at the date of approval of these Consolidated Financial Statements. As a result, no provisions were recognised as at 31 December 2025 in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

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

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

See Note 2 Basis of preparation and Note 15 Commitments, contingencies and legal disputes to these Consolidated Financial Statements as well as the Principal Risks section for further details.

Going concern

As at the date of the approval of these Consolidated Financial Statements, both the war and legal actions against the Group in Ukraine are ongoing and still pose a significant threat to the Group's mining and processing operations, and logistics routes in Ukraine. This threat results in material uncertainties outside of the Group's control. In addition to the war-related material uncertainty, the Group is also exposed to the risks associated with operating in a challenging environment in Ukraine, which is exacerbated by the war and/or the current circumstances facing Mr Zhevago (see Ukraine country risk in the Principal Risks section).

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

The Group's ability to continue as a going concern depends on the Directors' intention to raise gross proceeds of approximately US$100 million by way of a conditional subscription of Ordinary Shares to support the Group's working capital position and fund its ongoing operations. This planned fundraise is expected to be completed in late September

2026 and will provide the necessary immediate recapitalisation and place the Group in a stronger financial position, thereby enabling the Group to have more time to deal with the current challenging environment. The fundraise is conditional on all of the resolutions being passed by the shareholders of Ferrexpo plc, which therefore represents a further material uncertainty, as it is outside of the Group's control. If the resolutions are not passed by the shareholders, or if any of the other conditions are not satisfied, the planned fundraise will not proceed, which will have a significant impact on the Group's ability to continue as a going concern.

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

Nikolay Kladiev
Group Chief Financial Officer, Ferrexpo plc

RISK MANAGEMENT

Assessing and managing risk

Ferrexpo identifies and assesses risks based on the probability of occurrence and the severity of impact. The Group aims to mitigate risks through a robust governance framework and risk management process, although some of the risks are beyond the Group's control.

Risk identification

Ferrexpo seeks to proactively manage business risks by identifying them before they emerge. The Group's management are responsible for regularly maintaining and reviewing risk registers for individual business functions.

The Group risk register operates on an enterprise risk management platform ("ERM"), records risks on the basis of the likelihood of occurrence and the level of potential impact on the business. In total, as at the end of December 2025, the Group risk register comprised 45 risks, including risks relating to operating in Ukraine (including the ongoing war and the uncertain and weak judicial system), to operating and health and safety risks to broader societal risks such as climate change. Operating entities also maintain their own local risk registers.

The risks managed in the ERM are mapped by the Group's management to Principal Risks, which are specifically reviewed by the Board and presented in this section. Please see the Principal Risks sub-section below for more detailed information.

Risk mitigation

It is not possible to eliminate all risks, however, through effective risk identification, risk management, prudent decision-making and other measures allow the Group to better understand individual risks and devise risk mitigation strategies.

Risk governance framework

Risks are reported to the Finance, Risk Management and Compliance Committee ("FRMCC") on a monthly basis. This is done through the Group-level risk matrix, which plots the likelihood of occurrence against the potential severity of impact and identifies any changes and attributes each risk a potential monetary impact, if possible, should an event occur. The FRMCC reports to the Group's Executive Committee, which in turn reports to the Board, which has the ultimate responsibility for the Group's approach to risk management. The Audit Committee, a sub-committee of the Board, assists the Board in its regular monitoring of the risks faced by the Group.

Risk assessment for 2025

The risk matrix depicts the Principal Risks identified in the Group risk register. The Principal Risks are detailed below, including a definition, any potential impact, opportunities and risk management and mitigation.

PRINCIPAL RISKS

Understanding risks and our business model

Principal Risks are assessed on the basis of likelihood of occurrence and the potential severity of impact. Each Principal Risk is considered in relation to the Group's strategy.

Introduction

This section outlines the identified Principal Risks (upside and downside) facing the Group, (in isolation or in combination). Principal Risks are factors that may affect the Group's ability to operate in its normal course of business. These can be internal, in the form of risks derived through the Group's own operations and activities, or external, such as political and market-related risks. The Principal Risks listed herein, are neither exhaustive, nor are they mutually exclusive and therefore one risk may affect another risk.

Principal Risks include, but are not necessarily limited to, those that could result in events or circumstances that might threaten the Group's business model, future performance, solvency or liquidity and reputation.

Risks are inherently unpredictable, and therefore, the risks outlined herein are considered to be the main risks facing the Group. New risks may emerge during the course of the coming year, and existing risks may also increase or decrease in severity of impact and likelihood of occurrence. This is why regular reviews of the Group risk register are conducted throughout the year.

The detail below covers the 2025 year and also the period for year-to-date 2026 up to the publication of this report.

Major themes

War in Ukraine

On 24 February 2022, Russia launched a full-scale military invasion of Ukraine. At the date of this report, the ongoing war is now in its fifth year. The war has significantly changed the operating environment for businesses in Ukraine. Please see the Principal Risk 1.1 War and the section Operating During a Time of War, for more information.

Health and safety

On 24 February 2022, Russia launched a full-scale military invasion of Ukraine. At the date of this report, the ongoing war is now in its fifth year. The war has significantly changed the operating environment for businesses in Ukraine. Please see the Principal Risk 1.1 War and the section Operating During a Time of War, for more information.

Ukraine country risk

This has been considered a Principal Risk since the Group listed in 2007. Reflecting the perceived higher risk of operating in Ukraine, the Transparency International Corruption Perceptions Index scores Ukraine 36 out of 100, which ranks the country 104 out of 182 countries. The Group has successfully navigated and operated through challenging circumstances for more than 18 years. The war in Ukraine has served to escalate a number of risks relating to Ukraine, including risks relating to the political environment and the independence of the judicial system. Please see the Principal Risk 1.2 Ukraine country risk regarding legal, fiscal and political matters to be considered and Note 15 Commitments, contingencies and legal disputes for more information.

Iron ore market and prices

The Group produces a variety of premium-grade iron ore products that are sold to customers around the world. In terms of supply, the iron ore market is competitive and dominated by four large producers that supply more than 50% of the global addressable market. In terms of demand, China is the dominant consumer, responsible for over two-thirds of global demand during 2025. Prices for iron ore products further decreased in 2025 which has put pressure on margins. Please see the principal risk 2. Market and pricing and the section Market Review for more information.

1. Ukraine country risk

1.1 War (external risk)

It is over four years since the full-scale invasion of Ukraine. Ferrexpo's operations in the Poltava Region have not seen direct combat; however, missile and drone attacks in the region have increased in frequency and intensity, notably damaging power transmission infrastructure, which has resulted in interruptions to continuous production. Following intensified attacks from Russia on port infrastructure and civil vessels in the Black Sea in July 2026, the ocean-going logistics route via the Black Sea ports in Ukraine is currently unavailable to the Group.

Potential impact

The war places unique challenges on the business. Many colleagues are serving in the Armed Forces. Those at work are enduring psychological stress. Damage to energy infrastructure has resulted in periods without production and the need to import electricity at higher tariffs. Supply chain disruptions have limited the variety of suppliers and increased costs for key consumables. Restricted access to logistics routes requires adjustments to the distribution plan and the redirection of sales to other markets.

The business has remained resilient by adapting to the challenges it faces, continuing to produce and export its products.

Opportunities

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

This was evident in 2025 as the business adjusted its production to market dynamics by altering its production mix to concentrates and pellet feeds, and by managing workforce, energy availability and prices, and logistics constraints.

Risk management and mitigation

The Group has taken measures to ensure the safety and wellbeing of its workforce and to preserve the integrity of its assets. Measures include remote working, timing shift patterns to curfews, constructing bomb shelters and providing protective equipment for employees in the Armed Forces. The Group also supports communities through the Ferrexpo Humanitarian Fund.

At the start of the war, when logistics routes were blocked or disrupted, the Group demonstrated its flexibility and was able to redirect sales to other markets or establish new logistics routes.

1.2 Legal, fiscal and political (external risk)

The Group is subject to various ongoing legal proceedings in Ukraine, many of which relate to circumstances concerning Mr Zhevago and attempts by state agencies to recover funds from a collapsed bank that he was associated with.

Potential impact

The highest risk cases include litigation with The Deposit Guarantee Fund in relation to subsidiary corporate rights; a Ministry of Justice case to enforce and auction subsidiary corporate rights; a contested sureties claim and related bankruptcy proceedings; and litigation regarding share freezes in Ukrainian subsidiaries. Some other cases include claims related to royalties, ecology, waste products, transfer pricing related tax disputes and potential non-compliance with the foreign currency control regulations.

Due to its association with Mr Zhevago, the Group experiences negative media attention, operating challenges and strained relationships with its stakeholder groups. In addition, VAT refunds have been suspended by the tax authorities in Ukraine because of personal sanctions imposed on Mr Zhevago.

Opportunities

Although in the first stage of EU accession negotiations, one of the first clusters to be opened concerns corruption and judicial reform. The European Commission's 2025 enlargement report praised Ukraine's resilience and reform efforts but flagged deep-rooted corruption and slow judicial reforms as major hurdles. As negotiations advance, it is hoped that the political motivation behind many of the legal proceedings can be overcome as the judiciary becomes more independent and transparent.

Risk management and mitigation

In addition to defending itself in the courts, the Group is in contact with a diverse set of domestic and international stakeholders to explain its positions and interests.

It is important to understand that, as a company quoted on the London Stock Exchange, the Group is subject to high standards of corporate governance, including the UK Corporate Governance Code and UK Market Abuse Regulation.

As the largest Ukrainian business on the London Stock Exchange, Ferrexpo is a uniquely positioned investment opportunity for international investors. These investors, and their stakeholders expect to see their investments protected. This is considered important today and will remain so in the future if international capital is to be attracted to invest in Ukraine's post-war recovery.

For more information about legal proceedings see Note 15 to the Consolidated Financial Statements.

1.3 Counterparties (external risk)

Ukrainian businesses are operating in a challenging war environment. This results in increased risks relating to governance, corruption, monopoly markets, business failure, effective due diligence and counterparties who are identified to have exposure to Russia. Counterparty risks may result in financial harm, logistical and procurement issues. Indirectly, this could result in reputational issues, affecting financial market and customer stakeholders.

Potential impact

The National Bank of Ukraine has introduced significant currency and capital control restrictions in Ukraine. These measures are affecting the Group in terms of its cross-border payments, which are restricted and may be made only in exceptional cases. The maximum period for settlement of invoices under export and import contracts is 180 days. This creates a challenging environment for the Group and its foreign suppliers. As a result, the Group does have outstanding commitments for equipment ordered and specifically manufactured by international suppliers, but which cannot be brought into the country due to the ongoing war.

Opportunities

Despite the challenging environment, efforts continue to strengthen Group’s supplier governance through the Code of Conduct for Suppliers.

The procurement function consistently adapts and evolves supply arrangements to ensure continuity of supplies. Diversifying the supplier base and finding alternative suppliers in Ukraine and abroad helps to ensure the steady delivery of consumables and warehouse stocks.

The Group endeavours to support and promote Ukrainian businesses wherever possible in our activities to help build economic resilience during wartime.

Risk management and mitigation

The Group’s Compliance department undertakes regular checks to assess counterparty risk, including registration, corporate structure, shareholders, management, activities, financial position, litigations, related parties, relations with government, risk factors (including environmental) and any relationship with Belarus or Russia, to determine a compliance risk rating.

In 2025, we continued to observe that more of our suppliers have been forced to close their operations due to attacks, restricted access, personnel shortages due to conscription, or deteriorating financial situation. Our procurement teams have learnt to be adaptive and find alternative suppliers when required.

1.4 Major shareholder – new for 2025 (external risk)

The Company’s largest shareholder is Fevamotinico S.a.r.l., which as at the date of this report holds 49.3% of the voting rights in Ferrexpo plc. Fevamotinico is indirectly wholly owned by The Minco Trust, a discretionary trust that has three beneficiaries, consisting of Kostiantyn Zhevago and two other family members.

Potential impact

Many of the ongoing legal proceedings involving Ferrexpo in the Ukrainian courts relate to Mr Zhevago. For example, the Deposit Guarantee Fund proceedings in connection with an alleged embezzlement of funds from Bank F&C, a Ukrainian bank which was not part of the Ferrexpo Group, but which he separately owned, and which was dissolved in 2015.

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

Opportunities

The increased attention on ownership and historical matters provides an opportunity for the Group to showcase its operational resilience, reinforce its compliance culture, and highlight the strength of its Board, governance processes, and management independence. Clear communication of these strengths may improve stakeholder trust and support.

The need to demonstrate clear separation between the Group’s operations and matters relating to Mr Zhevago offers an opportunity to formalise and communicate robust independence measures, reinforce the autonomy of the Board and management team, and further embed best-practice governance standards.

Proactive media management and enhanced external communications provide an opportunity to shape a more accurate public narrative, highlight the Group’s strong operational track record, and strengthen its profile as a responsible operator committed to compliance and transparency.

Risk management and mitigation

The majority of the Directors of the Company are independent. Mr Zhevago has not been a Director or officer of the Group since December 2022.

The Minco Trust and Fevamotinico entered into a Relationship Agreement with the Company before the Initial Public Offering in 2007 to ensure that the Group is capable of carrying on its business independently, that transactions and arrangements between the Group, Fevamotinico, The Minco Trust and Mr Zhevago (and each of their associates) are at arm’s length and on normal commercial terms.

For more information about see Note 15 to the Consolidated Financial Statements.

2. Market and pricing (external risk)

Iron ore prices depend on global supply and demand factors, with adjustments for the iron ore product type, quality, specification and cost of delivery.

Potential impact

As a producer of premium iron ore products, the Group typically achieves higher prices for its products. However, during 2025, the prices for the benchmark premium 65% Fe price fell 7% and the Atlantic blast furnace premium by 24% on average for the year.

Weak demand in Europe for iron ore pellets resulted in a pivot to production and sales of concentrates to China, which although premium products, are lower priced than pellets.

Opportunities

To stay relevant, Ferrexpo has continually improved the quality of its existing products and developed new products to meet market demands. Today, the Group stands out as a niche producer and supplier of a variety of premium grade products, capable of capitalising from demand arbitrage, especially from markets in Europe and MENA where it has a geographical proximity advantage.

Ferrexpo is geographically well positioned to meet medium-term demand growth for premium iron ore products in Europe and MENA. Since the Ukrainian Black Sea ports opened in late 2023, the Group has resumed its seaborne exports via Ukrainian ports and offers multimodal delivery options by rail, barge or sea for European customers.

Risk management and mitigation

The strategic decisions and capital investments made in late 2024 and continued into 2025 enabled the Group to diversify its product and sales mix and optimise margins in a declining price environment.

The development of new ultra-premium grade products for sale to existing and new customers in 2026 is expected to further mitigate the over-supply of medium to low grade iron ore from traditional markets.

During 2025, the marketing team met with customers around the world and attended major industry events. This helped to broaden sales to more customers, including new steel mills, in more geographies than at any time since the full-scale invasion of Ukraine.

The market outlook for iron ore prices, however, remains uncertain.

For more information see the Market Review.

3. Operating risks

3.1 Health and safety (internal and external risk)

The health, safety and wellbeing of the workforce is the Group’s priority, particularly during a time of war. Risks arise in mining and processing operations from hazardous activities such as drilling, blasting and excavation, as well as from using large-scale equipment and machinery such as haul trucks, excavators and bulldozers.

Potential impact

Training, maintenance and safety protocols are essential. It is also important that risk assessments, workplace monitoring and the recording of safety metrics are undertaken frequently, to inform safety enhancements and improvements.

Health and safety risks at the most extreme include serious injuries or fatalities. Such events can result in financial claims for personal injury, penalties by regulators, operational disruptions and damaged equipment. This can reflect poorly on a company, leading to reputational issues.

Opportunities

A strong emphasis on safety, in a time of heightened external risk of war, has created an opportunity for the Group to reinforce its position as a safety-first organisation, driving leadership accountability, empowering employees, and fostering a culture where safe behaviours are consistently prioritised.

The Group is constantly looking for ways to improve its safety performance. Before the full-scale invasion the Group commenced the adoption of technologies such as autonomous equipment, which reduces human presence in hazardous environments, however this programme has paused due to the need to jam GPS signals.

Assessing comprehensive local risk registers, monitoring safety indicators, and enhancing training programmes for operators helps to reduce the frequency of safety-related incidents. These improvements can lead to a safer working environment and improved compliance with safety standards, as well as efficiencies and lower costs.

Risk management and mitigation

Health and safety is the first agenda item at every Executive Committee meeting and a fixed item at every Board meeting.

The Group takes a proactive approach to health and safety by a thorough investigation and understanding of the root causes of safety incidents, risk assessments and maintaining robust safety protocols.

Regular safety inspections, hazard reports, and high-visibility safety tours by senior managers ensure continuous monitoring of the working environment.

Additionally, the use of leading and lagging indicators such as the number of employees completing safety training can reduce the risk of future incidents. The Group places importance on learning from past events to improve safety measures, and tracks performance through lagging indicators such as injury rates and fatalities.

For more information see the Operational Review.

3.2 production (internal and external risk)

The production and logistics cycle is complex and requires the coordination of multiple activities. Planning is critical to ensure a smooth process, especially as factors such as equipment failures and repairs, weather disruptions, workforce availability could interrupt operations.

Potential impact

Unforeseen operational risks such as repairs or replacing damaged equipment and machinery can increase costs due to lost or delayed production, so too can deferring repairs due to liquidity constraints. In extreme cases, events such as a pit wall failure or a tailings dam breach can result in significant financial losses and reputational damage.

External factors such as the ongoing war have the potential to directly and indirectly affect operations and production, due to workforce challenges, supply chain disruptions, restrictions on certain operational practices, and the risk of damage to assets caused by missile and drone attacks. Towards the end of 2025, attacks on local power infrastructure resulted in power supply interruptions and production stoppages.

Opportunities

Managing the heightened external risks associated with the war have presented opportunities for the Group to effect operational improvements, strengthen emergency response, workforce planning and supply-chain flexibility. This focus has served to mitigate operating risks through improved operational planning, modernisation of equipment, and enhanced risk monitoring, allowing the Group to adapt quickly to changing conditions and minimise disruption to production.

The Group's ability to adapt to the current challenges, including managing logistics and labour shortages, allows for continued production, with potential to increase output when feasible.

The supply of power is outside the Group's control, however some small and proactive efforts to diversify energy sources through solar power have helped, and enhanced workforce capabilities by expanding recruitment and training programmes are also positive steps towards risk reduction.

Risk management and mitigation

An experienced management team, supported by a robust risk management framework, monitors and manages risks through frequent assessments.

The Group also invests in maintaining and upgrading equipment, stocking replacement parts, and progressing plans to modernise and electrify the mining fleet This can be hampered however by the ongoing war and reduced cash flow.

The Group actively manages skills availability by expanding recruitment and training efforts, helping to address the challenges posed by conscription and emigration due to the war.

Despite these efforts, the risk of certain factors, especially those related to external geopolitical events, remain difficult to fully eliminate.

For more information see the Operational Review.

3.3 Operating costs (internal and external risk)

The Group's operations are complex and rely on large-scale technologies and equipment that are energy-intensive and require large quantities of chemical and mechanical consumables.

Potential impact

The costs of these are influenced by market factors beyond the Group's control, such as energy availability and tariffs. Additionally, the Group faces broader inflationary pressures, affecting everything from equipment and maintenance to salaries. The war in Ukraine has exacerbated these issues by preventing the Group from operating at its full capacity, leading to significantly higher energy costs, higher unit costs in general, and lower production.

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

Opportunities

Energy and fuel represent 50% of production costs, which is why the Group is focused on diversifying and substituting its energy sources. Progress is being made, for example with sunflower husks substituting natural gas in the pelletiser and the commissioning of a 5MW solar farm.

Longer term, the Group is researching opportunities to replace natural gas with bio-ethanol fuels, and through the "Green Mine Initiative" it is looking at opportunities to improve efficiencies and lower costs by electrifying the mining fleet and using trolley assist technology.

The greatest near-term opportunity to lower operating costs is an end to the war. However, the Group must continue to plan on the basis that the war continues.

Risk management and mitigation

The Group is constantly looking for ways to optimise energy consumption, develop alternatives, and strengthen its supply chain resilience. In wartime conditions, we have implemented a special system that allows additional equipment to be operated at night to accumulate concentrate. This ensures uninterrupted operations the following day and helps avoid production losses due to electricity shortages during daytime hours.

The Group works with peers and industry associations to lobby against price increases from state-owned suppliers. This approach has been successful on occasion, for example in relation to domestic electricity tariff proposals for large industrial enterprises.

For more information see the Financial Review and Operational Review.

3.4 Logistics (external risk)

The Group is dependent on a reliable and efficient logistics network to deliver its products to its global customer base. Disruptions to logistics capacity and availability can therefore affect the Group's ability to export and generate revenue.

Potential impact

The Group uses a variety of logistics solutions, including rail, river barge and seaborne channels.

Disruption to logistics networks can lead to delays, leading to increased costs. In extreme cases, this could result in a temporary suspension of shipments and delays in supplying customers, which could have a negative reputational impact and jeopardise business relationships with key customers.

Given the bulk nature of the Group's products, it can be difficult to stockpile and warehouse products at short notice and find alternative transport routes. This can affect cash flow and the ability to maintain a stable financial position.

Following intensified attacks from Russia on port infrastructure and civilian vessels in the Black Sea in July 2026, the ocean-going logistics route via the Black Sea ports in Ukraine is currently unavailable to the Group, while shipowners have also withdrawn from performing existing voyages. This is likely to lead to vessel supply constraints and elevated freight rates, once this logistics route becomes available again.

Opportunities

In late 2023, access to Ukrainian Black Sea ports was restored, allowing the Group to expand seaborne sales in 2024 and 2025. However, there is no guarantee that Ukrainian Black Sea ports will be permanently available while the war continues. As at the date of approval of this report, it is uncertain when the logistics route via the Black Sea ports in Ukraine will be available again.

The Group's subsidiary, DDSG, also supports logistics resilience by operating barging services that provide an additional, flexible export route and reduce reliance on rail and seaborne capacity alone.

Over the years, the Group has also made significant investments in logistics infrastructure, including a fleet of over 3,000 rail wagons and a 49.9% stake in a port facility, to enable greater control flexibility by reducing dependency on third-party providers and ultimately improving customer service.

Risk management and mitigation

The Group has proactively worked to mitigate logistics risks by investing in its own rail wagons, port facilities, and inland waterway operations. By owning a stake in key infrastructure such as shares in a Ukrainian Black Sea terminal, the Group has enhanced its ability to bypass potential disruptions and increase its flexibility.

The Sales and Marketing team work closely with bulk vessel providers, keeping them informed of Black Sea developments. Encouragingly, more shipping companies returned to the Black Sea in 2025 and early 2026, which has overall had a positive effect on freight rates and insurance premiums.

The Group continues to monitor the situation closely and take steps to ensure that seaborne shipping activities are carried out again, if needed through alternative routes, with minimal disruption and safety risks, albeit probably at a higher cost to the Group.

For more information see the Operational Review.

3.5 Information technology and cybersecurity (internal and external risk)

As the Group increasingly relies on digital technology, IT security is a critical concern. As the sophistication of cyberattacks grows, the risks to IT systems have increased.

Potential impact

Cyberattacks may compromise the availability and confidentiality of infrastructure and data. The ongoing war has heightened threats and has led to an increase in cyberattacks and a shortage of skilled IT personnel due to conscription.

A successful cyberattack could disrupt production, compromise sensitive data, and damage the Group's ability to operate. The Group could face prolonged operational disruptions, financial losses and reputational damage.

Due to cost cutting measures, IT infrastructure has been exposed to threats such as outdated components, a lack of maintenance, and licence issues. Not all of the Group locations are equipped with adequate power backups and can be exposed to electricity blackouts.

Opportunities

The situation presents opportunities to strengthen the Group's cybersecurity posture. The ongoing development of IT infrastructure and regular upgrades to systems provide a chance to enhance resilience and reduce vulnerabilities.

Additionally, the heightened focus on cybersecurity can foster a culture of vigilance, leading to better preparedness for evolving threats.

The Group's adaptation to the changing landscape of cybersecurity may also create opportunities for collaboration and innovation in securing its digital assets.

Ongoing power shortages have prompted the Group to consolidate its IT infrastructure and relocate backup sites outside of Ukraine.

Risk management and mitigation

Regular IT reviews and employee training ensure the workforce is equipped to handle new threats.

Dynamic anti-malware policies allow for quick adaptation to emerging risks, and cross-backup infrastructure strengthens disaster recovery capabilities. Efforts to upgrade global network connectivity and enhance IT systems, such as deploying power control systems and upgrading IT infrastructure in bomb shelters, help reduce vulnerability.

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

Reduced liquidity has meant the need to seek more affordable IT solutions. The redefined backup policy and disaster recovery plan, aims to strengthen the Group's confidence in the event of any incident.

For more information see the Operational Review.

4. Climate change (internal and external risk)

Climate change poses physical and transition risks as the world shifts to a low-emissions future. These include environmental threats like extreme weather events, and societal shifts that could render existing technologies obsolete.

Potential impact

Ferrexpo faces risks in areas such as low-carbon iron ore and steelmaking, shipping regulations, and carbon pricing, with increasing stakeholder expectations of decarbonisation. Regulatory climate change reporting is also increasing, which requires increased time and costs.

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

As stakeholders expect more from companies in terms of decarbonisation efforts, failure to meet these expectations could lead to additional scrutiny and demands for faster or more extensive action.

Opportunities

Opportunities to address climate change include reducing the Group's own environmental footprint (Scope 1 emissions) and providing customers with products that reduce emissions in steelmaking (Scope 3 emissions).

Ferrexpo has already made progress in reducing its own emissions and by setting intermediate emissions targets for 2030 and a pathway to achieve net zero by 2050, as detailed in the December 2024 Climate Change Report.

The Group's premium grade products help improve efficiencies and lower emissions in steel-making, for example, its DR pellets, when used in a direct reduced iron – electric arc furnace, result in a 37% reduction in carbon emissions compared to the more traditional sinter-operated blast furnace route.

Risk management and mitigation

Ferrexpo is proactively working on reducing its emissions by focusing on the activities with the greatest environmental impact.

The Company's climate change strategy, detailed in its Climate Change Report, outlines a series of initiatives, including increasing the production of DR pellets, investing in cleaner energy sources, and exploring new technologies to lower operational emissions.

The Group has also established a net zero goal for 2050 and is continuing to study ways to reduce emissions further.

However, uncertainties stemming from the ongoing war and its potential impact on operations mean that some targets may need to be reassessed.

Continuous monitoring, transparent communication of progress, and adapting strategies to emerging conditions will be essential for managing this risk effectively.

5. Finance risk

5.1 Liquidity – new for 2025 (external risk)

Following the personal sanctions imposed on Mr Zhevago (not on the Group or its subsidiaries) by the Ukrainian Government early in 2025, the tax authorities suspended VAT refunds to the Group's Ukrainian subsidiaries.

Potential impact

In response, to preserve cash, the Group downscaled its operations and cut costs due to foreseeable lower cash flow generation resulting in a decrease in available liquidity.

At the end of December 2025, the total non-refunded VAT for 2025 was US$61 million.

The broader impacts of war included lower production rates and inability to access debt markets (which is also in part due to KYC issues relating to Mr Zhevago).

Opportunities

The Group calculates that had it been able to continue production levels realised in the first quarter of 2025 for the remainder of the year, rather than being forced to downscale production, it would have added an additional US$180 million in socio-economic contributions in Ukraine, comprising salary payments, taxes and royalties, and procurement of domestic products and services.

Risk management and mitigation

Since listing in 2007, the Group has managed to control its liquidity throughout various commodity cycles.

The challenges of 2025, however, are unprecedented. The Group actively implemented a deep cost-cutting programme, including placing portions of its workforce on furlough or reduced working hours, reducing non-essential capital expenditures and vital humanitarian and CSR spending.

In addition, to strengthen the Group's working capital position and fund its ongoing operations, the Board intends to raise gross proceeds of approximately US$100 million through a conditional placing of Ordinary Shares. The capital raise is required to support the Group's ability to continue as a going concern. See Note 2 Basis of preparation for further details.

The Group has filed several VAT-related claims in Ukrainian courts with regards to monthly VAT claims not refunded by the tax authorities in Ukraine. These legal proceedings before the different court instances in Ukraine remain ongoing and both favourable and unfavourable decisions were received by the Group's subsidiaries in the various proceedings before the various courts, including the Supreme Court of Ukraine.

In addition to the ongoing legal proceedings, representations to the relevant Ukrainian authorities to restore VAT refunds are ongoing, in addition to efforts to build support from other domestic and international stakeholders.

For more information see the Financial Review and Note 12 to the Consolidated Financial Statements: Other taxes recoverable and payable.

5.2 Taxation (external risk)

The Group pays corporate profit tax in a number of jurisdictions. The effective tax rate and, as a consequence, the taxes to be paid in the different jurisdictions are subject to various factors outside of the Group's control, including iron ore prices on global market and foreign exchange rate changes.

Potential impact

Following the completion of two transfer pricing audits in Ukraine in 2023, the Group's two major subsidiaries received total claims of UAH2,421 million (US$57 million as at 31 December 2025). In addition, a Ukrainian subsidiary of the Group received a claim in relation to allegedly underpaid royalties for UAH1,233 million (US$29 million as at 31 December 2025).

Any potential cash outflows in relation to these claims, if confirmed by the relevant claims in Ukraine, would have a significant effect on the Group's available cash balance and ability to continue as a going concern. See Note 2 Basis of preparation for further details.

Opportunities

Despite the two significant transfer pricing claims received, the Group remains of the opinion that the terms of the cross-border transactions between the subsidiaries of the Group comply with the legislation applicable in the jurisdictions in which it operates.

In terms of the claim in relation to allegedly underpaid royalties, the Group has compelling arguments to defend its position in the courts.

Risk management and mitigation

The claims received are currently being heard by the courts in Ukraine and no decision has been made by a court of instance as at the date of the approval of the consolidated financial statements that would make the claims a legal obligation.

The Group will continue to defend, in the Ukrainian courts, the methodology applied to determine prices between its subsidiaries and to calculate royalties. However, there is a risk that the independence of the judicial system in Ukraine, and its immunity from economic and political influence, may not be fully upheld.

For more information see Notes 2 and 15 of the Consolidated Financial Statements.

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.

The Directors confirm that, to the best of their knowledge:

(a) the Group financial statements, prepared in accordance with UK adopted IFRS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the subsidiary undertakings included in the consolidation taken as a whole and attention is drawn to the material uncertainty in terms of the Group's ability to continue as a going concern in Note 2 Basis of preparation of the Consolidated Financial Statements;

(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.

This responsibility statement was approved by the Board of Directors on 3 September 2026 and is signed on its behalf by:

Lucio Genovese
Interim Executive Chair

Nikolay Kladiev
Executive Director/Chief Financial Officer
3 September 2026

Consolidated Income Statement

US$000	Notes	**Year ended 31.12.25**	Year ended 31.12.24
Revenue	4	**787,324**	933,263
Operating expenses	5	**(845,242)**	(932,574)
Write-offs and impairments	5	**(160,936)**	(71,871)
Other operating income		**3,583**	5,475
Operating foreign exchange gains	6	**4,969**	83,321
Operating (loss)/profit		**(210,302)**	17,614
Share of profit from associates		**486**	2,314
(Loss)/profit before tax and finance		**(209,816)**	19,928
Net finance expense	7	**(3,132)**	(993)
Non-operating foreign exchange gains/(losses)	6	**351**	(39,355)
Loss before tax		**(212,597)**	(20,420)
Income tax expense	8	**(11,335)**	(29,610)
Loss for the year		**(223,932)**	(50,030)
Loss attributable to:			
Equity shareholders of Ferrexpo plc		**(223,911)**	(50,046)
Non-controlling interests		**(21)**	16
Loss for the year		**(223,932)**	(50,030)
Loss per share:			
Basic (US cents)	9	**(38.06)**	(8.51)
Diluted (US cents)	9	**(38.06)**	(8.51)

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income

US$000	Notes	**Year ended 31.12.25**	Year ended 31.12.24
Loss for the year		**(223,932)**	(50,030)
Items that may subsequently be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**(4,581)**	(136,926)
Income tax effect	8	**320**	3,972
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		**(4,261)**	(132,954)
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement gains/(losses) on defined benefit pension liability		**7,520**	(7,040)
Net other comprehensive income/(loss) not being reclassified to profit or loss in subsequent		**7,520**	(7,040)
Other comprehensive income/(loss) for the year, net of tax		**3,259**	(139,994)
Total comprehensive loss for the year, net of tax		**(220,673)**	(190,024)
Total comprehensive loss attributable to:			
Equity shareholders of Ferrexpo plc		**(220,658)**	(190,016)
Non-controlling interests		**(15)**	(8)
		(220,673)	(190,024)

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Financial Position

US$000	Notes	As at 31.12.25	As at 31.12.24
Assets			
Property, plant and equipment	10	**551,928**	723,918
Right-of-use assets		**10,595**	5,029
Intangible assets		**4,918**	5,568
Investments in associates		**6,503**	6,350
Inventories	11	**12,329**	5,185
Other non-current assets		**32,374**	32,456
Other taxes recoverable and prepaid	12	**71,195**	–
Deferred tax assets	8	**16**	2,258
Total non-current assets		**689,858**	780,764
Inventories	11	**129,028**	192,508
Trade and other receivables		**33,723**	39,792
Prepayments and other current assets		**10,435**	24,648
Income taxes recoverable and prepaid	8	**7,888**	7,026
Other taxes recoverable and prepaid	12	**3,616**	36,296
Cash and cash equivalents	13	**58,447**	105,919
Total current assets		**243,137**	406,189
Total assets		**932,995**	1,186,953
Equity and liabilities			
Issued capital		**121,628**	121,628
Share premium		**185,112**	185,112
Other reserves		**(2,812,740)**	(2,808,904)
Retained earnings		**3,209,355**	3,425,751
Equity attributable to equity shareholders of Ferrexpo plc		**703,355**	923,587
Non-controlling interest		**58**	73
Total equity		**703,413**	923,660
Lease liabilities	3/14	**6,792**	419
Defined benefit pension liability		**17,395**	22,806
Provisions		**4,592**	3,118
Deferred tax liabilities	8	**4,323**	4,346
Total non-current liabilities		**33,102**	30,689
Lease liabilities	3/14	**4,228**	4,665
Trade and other payables		**27,234**	55,781
Provisions	15	**114,788**	115,694
Accrued and contract liabilities		**19,628**	29,415
Income taxes payable	8	**20,783**	13,561
Other taxes payable		**9,819**	13,488
Total current liabilities		**196,480**	232,604
Total liabilities		**229,582**	263,293
Total equity and liabilities		**932,995**	1,186,953

The accompanying notes are an integral part of the consolidated financial statements.

The financial statements of Ferrexpo plc, registration number 05432915, were authorised and approved by the Board of Directors and authorised for issue on 3 September 2026 and signed on its behalf by:

Lucio Genovese
Interim Executive Chair

Nikolay Kladiev
Chief Financial Officer and Executive Director

Consolidated Statement of Cash Flows

US$000	Notes	**Year ended 31.12.25**	Year ended 31.12.24
Loss before tax		**(212,597)**	(20,420)
Adjustments for:			
Depreciation of property, plant and equipment, right-of-use assets and amortisation of intangible assets		**68,406**	60,281
Net finance income	7	**(252)**	(1,440)
(Gains)/losses on disposal and liquidation of property, plant and equipment	5	**(572)**	231
Write-offs and impairments	5	**160,936**	71,871
Share of profit from associates		**(486)**	(2,314)
Impairment loss/(reversal) on financial assets		**5,598**	(1,731)
Movement in site restoration provision		**1,268**	611
Employee benefits		**4,454**	3,381
Share-based payments		**431**	320
Allowance on overdue VAT receivable balances	12	**13,139**	–
Operating foreign exchange gains	6	**(4,969)**	(83,321)
Non-operating foreign exchange (gains)/losses	6	**(351)**	39,355
Operating cash flow before working capital changes		**35,005**	66,824
Changes in working capital:			
Decrease in trade and other receivables		**13,827**	36,136
Decrease/(increase) in inventories		**52,657**	(10,856)
(Decrease)/increase in trade and other payables (including accrued and contract liabilities)		**(34,361)**	36,922
Increase in other taxes recoverable and payable (including VAT)		**(58,204)**	(10,658)
Cash generated from operating activities		**8,924**	118,368
Interest paid		**(271)**	(815)
Income tax paid	8	**(2,692)**	(23,278)
Post-employment benefits paid		**(2,603)**	(2,373)
Net cash flows from operating activities		**3,358**	91,902
Cash flows used in investing activities			
Purchase of property, plant and equipment and intangible assets	10	**(49,070)**	(101,688)
Proceeds from disposal of property, plant and equipment and intangible assets		**678**	70
Interest received		**1,734**	3,960
Dividends from associates		**196**	131
Net cash flows used in investing activities		**(46,462)**	(97,527)
Cash flows used in financing activities			
Principal elements of lease payments	14	**(4,570)**	(5,616)
Dividends paid to equity shareholders of Ferrexpo plc	9	**(8)**	(46)
Net cash flows used in financing activities		**(4,578)**	(5,662)
Net decrease in cash and cash equivalents		**(47,682)**	(11,287)
Cash and cash equivalents at the beginning of the year		**105,919**	115,241
Currency translation differences		**210**	1,965
Cash and cash equivalents at the end of the year	13	**58,447**	105,919

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

US$000	Issued capital	Share premium	Other reserves	Retained earnings	Total capital and reserves	Non-controlling interests	Total equity
	Attributable to equity shareholders of Ferrexpo plc						
At 1 January 2024	121,628	185,112	(2,676,294)	3,482,883	1,113,329	81	1,113,410
Loss for the year	–	–	–	(50,046)	(50,046)	16	(50,030)
Other comprehensive loss	–	–	(132,930)	(7,040)	(139,970)	(24)	(139,994)
Total comprehensive loss for the year	–	–	(132,930)	(57,086)	(190,016)	(8)	(190,024)
Share-based payments	–	–	320	–	320	–	320
Equity dividends to shareholders of Ferrexpo plc (Note 9)	–	–	–	(46)	(46)	–	(46)
At 31 December 2024	121,628	185,112	(2,808,904)	3,425,751	923,587	73	923,660
Loss for the year	–	–	–	**(223,911)**	**(223,911)**	**(21)**	**(223,932)**
Other comprehensive income	–	–	**(4,267)**	**7,520**	**3,253**	**6**	**3,259**
Total comprehensive loss for the year	–	–	**(4,267)**	**(216,391)**	**(220,658)**	**(15)**	**(220,673)**
Share-based payments	–	–	**431**	–	**431**	–	**431**
Equity dividends to shareholders of Ferrexpo plc (Note 9)	–	–	–	**(5)**	**(5)**	–	**(5)**
At 31 December 2025	**121,628**	**185,112**	**(2,812,740)**	**3,209,355**	**703,355**	**58**	**703,413**

The accompanying notes are an integral part of the consolidated financial statements.

Although accounts are published in US dollars and dividends are declared in US dollars, the shares are denominated in UK pounds sterling and dividends are therefore paid in UK pounds sterling. See Note 9 Earnings per share and dividends paid and proposed for further information.

Notes to the Consolidated Financial Statements

NOTE 1: CORPORATE INFORMATION

The financial information set out in this statement does not constitute statutory accounts for the years ended 31 December 2025 or 31 December 2024 as defined in section 435 of the Companies Act 2006. This set of financial results was approved by the Board on 3 September 2026. The financial information for the years ended 31 December 2025 and 31 December 2024 has been extracted from the statutory accounts for each year.

The auditor's report on the 2025 statutory accounts was (i) unqualified, (ii) did not contain a statement under section S498(2) or S498(3) of the Companies Act 2006, but (iii) included a separate section with regard to material uncertainties related to going concern as a result of the ongoing war, the application of local legislation in Ukraine in respect of the outcome of legal disputes in which the Group is involved and events after the reporting date primarily related to the developments in ongoing legal proceedings and an intended fundraise of up to US$100,000 thousand. The audit report also drew attention to the uncertainty in the application of local legislation in Ukraine in respect of the outcome of legal proceedings in which the Group is involved and to the uncertainty related to the estimate of the recoverable amount of certain assets of the Group as result of the ongoing war and ongoing legal proceedings in Ukraine. Further details on those uncertainties are provided in Note 2 Basis of preparation, Note 10 Property, plant and equipment, Note 15 Commitments, contingencies and legal disputes and Note 17 Events after the reporting period included in this announcement.

The audited statutory accounts for the year ended 31 December 2024 have been delivered to the Registrar of Companies. The auditor's report on those accounts was (i) unqualified, (ii) did not contain a statement under section S498(2) or S498(3) of the Companies Act 2006, but (iii) included a separate section with regard to material uncertainties related to going concern as a result of the ongoing war, the application of local legislation in Ukraine in respect of the outcome of the proceedings in which the Group is involved and events after the reporting date primarily related to the personal sanctions imposed on Mr Zhevago. The audit report also drew attention to the uncertainty in the application of local legislation in Ukraine in respect of the outcome of the proceedings in which the Group is involved and to the uncertainty related to the estimate of the recoverable amount of certain assets of the Group as result of the ongoing war and ongoing legal proceedings in Ukraine.

Given the delay to the publication of the Group's 2025 Annual Report and Accounts, certain resolutions relating to the Annual Report and Accounts, the re-appointment and remuneration of the Group's auditor, and the Directors' remuneration report did not form part of the business at the 2026 Annual General Meeting held on 29 June 2026. The Company intends to convene a separate shareholder meeting following publication of the 2025 Annual Report and Accounts where resolutions on these matters will be tabled. Further details of this meeting will be provided in due course.

Today, the Annual Report and Accounts for the year ended 31 December 2025 will be published on the Company's corporate website *www.ferrexpo.com*. The audited statutory accounts for the year ended 31 December 2025 will be delivered to the Registrar of Companies before extended filing deadline of 30 September 2026.

ORANISATIONAL STRUCTURE

Ferrexpo plc (the "Company") is incorporated and registered in England and Wales, of which England is considered to be the country of domicile, with its registered office at 55 St James's Street, London SW1A 1LA, UK. The Company is listed on the London Stock Exchange. Ferrexpo plc and its subsidiaries (the "Group") operate two mines and a processing plant near Kremenchuk in Ukraine, have an interest in a port in Odessa and sales and marketing activities around the world, including offices in Switzerland, the U.A.E. (Dubai), Japan, China, Singapore and Ukraine. The Group also owns logistics assets in Austria, which operate a fleet of vessels operating on the Rhine and Danube waterways and an ocean-going vessel, which provided top-off services until it was sold in April 2026. The Group's operations are vertically integrated from iron ore mining through to iron ore concentrate and pellet production and subsequent logistics. The Group's mineral properties lie within the Kremenchuk Magnetic Anomaly and are currently being extracted at the Gorishne-Plavninske-Lavrykivske ("GPL") and Yerystivske deposits.

Despite the ongoing war in Ukraine, the Group has managed to continue its operations throughout the financial year 2025. The business environment in Ukraine remains difficult and challenging. This is not just because of the ongoing war, but also because of several ongoing legal disputes in the country. As disclosed in Note 17 Events after the reporting period included in the published 2024 Annual Report and Accounts, personal sanctions have been imposed on Kostyantin Zhevago ("Mr Zhevago") by the State of Ukraine. These sanctions, which have been treated as a non-adjusting post balance sheet event as at 31 December 2024, are personal in nature and have not been imposed on any member of the Ferrexpo Group. As a result of these sanctions against Mr Zhevago, since March 2025, the tax authorities in Ukraine refused to make VAT refunds to the Group's subsidiaries in Ukraine. As a consequence, the Group had to reduce its forecast production plan for 2025 to minimise the impact of the rejected VAT refunds on the Group's liquidity, which affected the sales to the Group's international customers and its cash flow generation during the financial year 2025. The lower cash flow generation did not only have an impact on the Group's available cash balance throughout the financial year 2025, but also on the Group's long-term model used for the impairment test. The impairment tests performed during the financial year 2025 resulted in an impairment loss of US$154,323 thousand (2024: US$71,635 thousand), which was recorded as at 30 June 2025. Further to that, following attacks on Ukrainian energy infrastructure on 8 November 2025, the supply of power to the Group's operations has been affected and as a result its production of iron ore pellets and concentrate was interrupted and affected later in November and December 2025. The lower level of production during this period had a substantial impact on the Group's sales during these months and, as result, also on its profitability and cash flow generation. Following intensified attacks from Russia on port infrastructure and civil vessel in the Black Sea in July 2026, the logistics route via the ocean-going Black Sea ports in Ukraine is currently unavailable to the Group. As at the date of the approval of these consolidated financial statements, the war is still ongoing and continues to pose a significant threat to the Group's mining and processing operation, and its logistics routes within Ukraine. In addition to the war-related material uncertainty, the Group is also exposed to the risks associated with operating in a dynamic and adverse political landscape in Ukraine, which may or may not be exacerbated by the war and the current circumstances facing the Group in Ukraine. See Note 2 Basis of preparation, Note 10 Property, plant and equipment and Note 15 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 2024 Annual Report and Accounts) of Ferrexpo plc's issued voting share capital (excluding treasury shares).

NOTE 2: BASIS OF PREPARATION

The consolidated financial statements of Ferrexpo plc and its subsidiaries have been prepared in accordance with International Financial Reporting Standards adopted for use in the United Kingdom ("UK adopted IFRS") and with the Companies Act 2006, as applicable to companies reporting under international accounting standards. Entities are included in the consolidated financial statements from the date of obtaining control and the inclusion in the consolidated financial statements is consequently ceased when the control over an entity is lost.

The consolidated financial statements have been prepared on a historical cost basis, except for post-employment benefits measured in accordance with IAS 19 revised Employee benefits and revenues related to provisionally priced sales recognised in accordance with IFRS 15 Contracts with customers at the estimated fair value of the consideration receivable until final pricing is determined. The consolidated financial statements are presented in thousands of US dollars and all values are rounded to the nearest thousand except where otherwise indicated.

The material accounting policy information is included in the disclosure notes to the specific financial statement accounts.

GOING CONCERN

Throughout the financial year 2025, the situation in Ukraine remained unpredictable and extremely challenging due to the ongoing war and legal actions against the Group. The Group showed strong momentum at the beginning of the year, resulting in the Group's best production in the first quarter since the full-scale invasion in February 2022. This strong momentum was significantly curtailed in the second quarter as the Group started to experience the full impact of the Ukrainian tax authorities' decisions to suspend the refund of VAT to the Group's subsidiaries in Ukraine. The situation further deteriorated in the last quarter of 2025, when the intensity and frequency of missile and drone attacks on Ukraine's energy, transport, and port infrastructure increased. This led to power cuts and a sharp rise in electricity prices, which had a further negative impact on the Group's business operations in the fourth quarter. Following intensified attacks from Russia on port infrastructure and civil vessels in the Black Sea in July 2026, the logistics route via the ocean-going Black Sea ports in Ukraine is currently unavailable to the Group. Given the importance of this route for both parties involved in this war and for the global grain supply, it is management's view the situation will ease later in 2026 and it is therefore expected that the ocean-going Black Sea ports should once again be available to the Group for its sales to certain markets. Management is aware that the timing of the availability of the ocean-going Black Sea ports in Ukraine is subject to significant uncertainty and management is currently assessing alternative logistics routes as done in 2022 and 2023, when theses ports were unavailable for an extended time. However, channelling sales through alternative logistics routes may result in lower sales volumes and/or higher logistics costs.

Following the personal sanctions imposed on Mr Zhevago by Ukrainian authorities on 12 February 2025, the Group's subsidiaries in Ukraine have not been receiving VAT refunds since March 2025. As a result of the suspension of VAT refunds in Ukraine, the Group had to adjust its production plan to mitigate working capital outflows and preserve cash, affecting the Group's financial performance during the financial year 2025, but also the expected cash flow generation during the period covered by the Group's going concern assessment.

As part of management's going concern assessment, the Group continuously adjusts its financial long-term model to reflect the latest developments in terms of possible production and sales volumes as well as latest market prices and production costs. The financial long-term model was updated using management's best estimate of reasonably conservative key assumptions, taking also into account the current circumstances the Group must operate in, including the effects from the suspension of VAT refunds and the ongoing legal actions against the Group in Ukraine. The level of the Group's production is currently restricted due to outstanding VAT refunds and also remains dependent on a constant power supply and the logistics network available to the Group as well as other potential adverse effects on the Group's operation due to the ongoing war, which are reflected in the Group's financial long-term model.

Both the war and the legal actions against the Group in Ukraine are still ongoing, which have affected the Group's business activities, including available logistic routes, and thus its profitability and cash flow generation during the financial year ended 31 December 2025 and are also expected to have a continuing impact on the next 18 months following the approval of these consolidated financial statements, which includes the period covered by the Group's going concern assessment. The suspension of VAT refunds has continued in 2026, significantly affecting the Group's available cash balance. The total net outstanding VAT refunds are US$87,982 thousand at the end of June 2026, of which US$86,911 thousand had been claimed for refund from the Ukrainian tax authorities and refunds totalling US$84,265 thousand have been refused by the tax authorities, both as at the date of approval of these consolidated financial statements, because of the association of the Group with Mr Zhevago as a consequence of the personal sanctions imposed on him.

As a result of the challenging situation during the financial year ended 31 December 2025, the Group's total commercial production totalled 6,142 thousand tonnes of iron ore pellets and concentrate, a decrease of 11% compared to 6,890 thousand tonnes during the comparative year ended 31 December 2024. As no VAT refunds have been received since March 2025, the Group significantly reduced its capital expenditure programme, which however could only partially offset the significantly lower operating cash flow generation. As a result, the closing balance of cash and cash equivalents decreased to US$58,447 thousand as at 31 December 2025, compared to US$105,919 thousand as of 31 December 2024.

As at the date of the approval of these consolidated financial statements, the Group has an available cash balance of approximately US$26,300 thousand and is in a net cash position of approximately US$17,700 thousand. In addition to the available cash balance, the Group has an outstanding trade receivable balance of approximately US$6,300 thousand from its pellet and concentrate sales, which is expected to be collected in the next few months, and finished goods already stockpiled of 234 thousand tonnes at different ports or storage locations other than the plant.

The challenging and unpredictable environment in which the Group has been operating since the beginning of the invasion and the ongoing war, whose duration and impact on the Group's activities in future periods are difficult to predict, continue to represent a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. In addition to the war-related material uncertainty, the Group is also exposed to the risks associated with operating in a dynamic and adverse political landscape in Ukraine, which is exacerbated by the war and/or the current circumstances facing Mr Zhevago. As a result, the Group is exposed to a number of risk areas that are heightened compared to those expected in a stable economy, such as an environment of political, fiscal and legal uncertainties, which represents another material uncertainty as at the date of the approval of these consolidated financial statements.

Despite the challenging environment in which the Group has operated in recent years, the Group managed to maintain an available cash balance of over US$100,000 thousand at the end of the previous financial years. Due to the suspension of VAT refunds in Ukraine, the situation continued to deteriorate and the Group's available cash reserves declined steadily during the financial year 2025, totalling US$58,447 thousand as at 31 December 2025. Despite the fact that the Group remains focused on managing its costs and optimising its sales mix, management expects the Group's liquidity to be sufficient until at least mid-September 2026. It is therefore the Directors' intention to raise gross proceeds of approximately US$100,000 thousand by way of a conditional placing of Ordinary Shares to support the Group's working capital position and fund its ongoing operations. This planned fundraise is expected by management to be completed in late September 2026 and will provide the necessary immediate recapitalisation and place the Group in a stronger financial position, thereby enabling the Group to have more time to deal with the current challenging environment. The fundraise is conditional on all of the resolutions being passed by the shareholders of Ferrexpo plc. If the resolutions are not passed by the shareholders, or if any of the other conditions are not satisfied, the planned fundraise will not proceed, which will have a significant impact on the Group's ability to continue as a going concern, if no alternative funding can be secured before the liquidity is expected to be exhausted. As the fundraise is expected to be completed subsequent to the approval of these consolidated financial statements, the outcome of the fundraise represents a further material uncertainty, as it is to some extent outside of the Group's control.

The base case of the financial long-term model, including an inflow of US$100,000 thousand from the planned fundraise, shows that the Group has sufficient liquidity under the base case assumptions to continue its operations at a reduced level throughout the entire period of management's going concern assessment, covering a period of 18 months from the date of approval of these consolidated financial statements. No VAT refunds are assumed during the 18 months of the Group's going concern assessment. The updated base case assumes a pellet production volume of approximately 40% and 64% of the pre-war level for the financial years 2026 and 2027, respectively, and an expected start of the recovery to the pre-war level in the second half of 2028.

The Group's cash flow generation is most sensitive to sales price changes. The sensitivities prepared for reasonably possible adverse changes, with a focus on the expected realised prices, show negative cash balances under some scenarios in the last quarter of 2027, before any mitigating actions are taken, such as a further reduction of operating expenditures and the Group's mining and maintenance activities. However, with the significant reduction of the Group's operation in the long-term model, the available mitigating actions also reduced significantly. As a result, the possible mitigating actions under the full control of management might not be sufficient to offset certain negative effects from reasonably possible adverse changes to the base case.

Considering the tight available cash balances under the base case scenario and sensitivity to realised prices, the Group's available cash balance is expected to be depleted in the last quarter of 2027, when combining all effects of reasonably plausible changes under a stress test scenario. However, it is management's position that, as in the past, a combination of all reasonably possible or plausible adverse changes in respect of realised prices and production costs is unlikely to happen as a result of the historical natural hedge between iron ore prices and prices for key input materials.

As disclosed in Note 15 Commitments, contingencies and legal disputes, the ongoing legal actions against the Group have led to an escalation of a number of risks, including risks relating to the political environment and the independence of the legal system in Ukraine, which might be exacerbated by the ongoing war. These risks remain at the date of the approval of these consolidated financial statements and could have a material negative impact on the Group's business activities and, as a consequence, on the Group's ability to continue as a going concern.

The court proceedings before the Supreme Court of Ukraine in respect of contested sureties (see Note 15 Commitments, contingencies and legal disputes for further details) continued during the financial year 2025 and first months of 2026. Although management is of the opinion that this claim is without merit, the full provision in the amount of UAH4,727 million (US$111,517 thousand as at 31 December 2025), which was recorded as at the end of 2023, was not released, considering the magnitude of this specific claim and the risks associated with the judicial system in Ukraine. The outcome of this ongoing legal dispute continues to represent a material uncertainty in terms of the Group's ability to continue as a going concern.

In respect of the contested sureties claim and the opening of bankruptcy proceedings against FPM mentioned above, no decision has been made by the Supreme Court in the contested sureties claim as at the date of the approval of these consolidated financial statements. The next hearing before the Supreme Court is scheduled for 12 October 2026. On 18 August 2026, the court of appeal in Kharkiv dismissed FPM's appeal in the bankruptcy case. If the Supreme Court rules in favour of the claimants in the contested sureties case, this would mean that FPM's bankruptcy process will continue, which could potentially have a material negative impact on the Group's business activities and its ability to continue as a going concern. Following that negative decision of the court of appeal in the bankruptcy case, on 21 August 2026, FPM filed a cassation appeal to the Supreme Court of Ukraine. In the meantime, it is not possible to assess the potential impact of such bankruptcy proceedings and their timing, as these depend on further court proceedings, which may extend over a considerable period of time. In terms of the claim received regarding alleged illegal mining and selling of subsoil (minerals other than iron ore), several hearings took place in 2025 and 2026 and it is still expected that this will be a protracted process. However, considering the magnitude of the subsoil claim, a final decision in this case could have a negative impact on the Group's ability to continue as a going concern.

A future cash outflow, which also depends on the details and technicalities of a possible enforcement in the event of a negative decision by the Supreme Court, is likely to have a significant impact on the Group's future cash flow generation and available cash balance and, as a consequence, on the Group's ability to continue as a going concern. As announced on 24 February 2026, a local court of first instance in Poltava ordered the opening of bankruptcy proceedings against Ferrexpo Poltava Mining ("FPM"). This ruling is in relation to the contested sureties claim, which is still under review by the Supreme Court of Ukraine. Therefore, the local court opened the bankruptcy proceedings without a final decision by the Supreme Court on the main litigation having been made. FPM filed an appeal which was dismissed by the court of appeal in Kharkiv on 18 August 2026. On 21 August 2026, FPM filed a cassation appeal to the Supreme Court of Ukraine. There is a risk that actions of the appointed insolvency manager could have a significant impact on the Group's ability to continue as a going concern.

As announced on 4 February 2025, the Group's subsidiary FPM has received a civil claim seeking joint liability of FPM and its General Director for damages amounting to UAH157 billion (approximately US$3.7 billion as at 31 December 2025) in favour of the Ukrainian state (see Note 15 Commitments, contingencies and legal disputes for further details). Management is of the opinion that these accusations and the claim are without merit and FPM has started the vigorous defence of its position in the Ukrainian courts. The outcome of this legal dispute depends on further legal proceedings and it is expected that this will be a protracted process, with a final court ruling likely made outside of the Group's going concern period. See Note 15 Commitments, contingencies and legal disputes for further information, which should be read in conjunction with this note.

As mentioned above, the Ukrainian subsidiaries of the Group have not been receiving VAT refunds since March 2025. Although, the sanctions imposed on Mr Zhevago have not been imposed on any member of the Group, the personal sanctions on Mr Zhevago have implications for the Group's operation and, as a consequence, on its profitability and cash flow generation, which could have an impact on the Group's ability to continue as a going concern. In connection with the personal sanctions on Mr Zhevago, on 20 February 2025, the State Bureau of Investigation (the "SBI") made a media announcement regarding a potential claim to the High Anti-Corruption Court of Ukraine (the "HACC") to nationalise 49.5% of shares in FPM and certain of its assets. As at the date of approval of these consolidated financial statements, FPM has not received a formal notification of such a claim. Further to that, under Ukrainian laws, the SBI has no authority to petition, bring claims or make proposals (both on nationalisation or application of any asset-confiscation sanction) to the HACC. Nonetheless, in the event of a nationalisation of 49.5% of shares in FPM and certain of its assets, it is likely this would have a significant impact on the Group's ability to continue as a going concern as FPM could lose key assets required for the production of iron ore pellets and concentrate. See Note 9 Earnings per share and dividends paid and proposed for further details regarding the impact on the equity attributable to the shareholders of Ferrexpo plc and its future distributable reserves.

As disclosed in detail in the Group's interim condensed consolidated financial statements as of 30 June 2025, on 4 March 2025, the SBI made a media statement that the Pecherskyi District Court of Kyiv has granted a request of the Prosecutor General's Office of Ukraine to transfer 49.5% of the corporate rights in FPM held by FAG to Ukraine's Asset Recovery and Management Agency ("ARMA"). This transfer is in connection with ongoing proceedings against Mr Zhevago relating to Bank F&C, as disclosed in detail on pages 64 and 65 of Note 15 Commitments, contingencies and legal disputes. See Note 9 Earnings per share and dividends paid and proposed for further details regarding the impact on the equity attributable to the shareholders of Ferrexpo plc and its future distributable reserves.

As disclosed in Note 8 Taxation, the Group's two major subsidiaries in Ukraine received tax audit reports in September and November 2023, stating potential claims for underpayment of corporate profit taxes in Ukraine of UAH2,162 million (US$51,005 thousand as at 31 December 2025) and UAH259 million (US$6,110 thousand as at 31 December 2025), respectively. Negative decisions by the court of appeal, after potential negative decisions of the court of first instance, are likely to have a significant impact on the Group's future cash flow generation and available cash balance and, as a consequence, on the Group's ability to continue as a going concern. See Note 8 Taxation for further information.

The claims and certain decisions received by the courts in Ukraine are another example of the risk of operating in a dynamic and adverse political landscape in Ukraine, which creates additional challenges for both the Group's subsidiaries in Ukraine and, also for the Group itself.

As at the date of the approval of these consolidated financial statements, the Group's operations, located adjacent to the city of Horishni Plavni, have not been directly affected by the ongoing war, but this remains a risk. Should the area surrounding the Group's operations become subject to the armed conflict, there would be a significant risk posed to the safety of the Group's workforce and the local community, as well as a significant risk to key assets and the infrastructure required for the Group to operate effectively. See the Principal Risks section on pages 32 and 33 for further information on the Ukraine country risk.

The Group has assessed that, taking into account:

i) its available cash and cash equivalents;

ii) its cash flow projections, adjusted for the effects caused by the ongoing war in Ukraine and potential absence of VAT refunds, for the period of management's going concern assessment covering a period of 18 months from the date of the approval of these consolidated financial statements;

iii) the feasibility and effectiveness of all available mitigating actions within management's control for identified uncertainties;

iv) the legal merits in terms of the ongoing legal dispute regarding the above mentioned contested sureties, including the bankruptcy proceedings against FPM, and potential future actions available to protect the interests of the Group in case of a negative decision from the Supreme Court;

v) the suspension of VAT refunds, which might not resume as expected by management;

vi) the logistics route via the ocean-going Black Sea ports in Ukraine, which is currently unavailable and which may not be available to the Group as currently expected by management and as reflected in the Group's current long-term model;

vii) the risk of nationalisation of 49.5% of shares in FPM and certain of its assets, which is outside of management's control, the uncertainty in relation to the independence of the judicial system and its immunity from economic and political influences in Ukraine, which could have an impact on the outcome of the ongoing legal disputes; and

viii) the uncertainty in relation to a successful completion of the planned fundraising in late September 2026,

there remains a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Despite the current situation of the ongoing war, the Group's legal disputes in Ukraine and the prospects of the planned fundraise in late September 2026, the Group continues to prepare its consolidated financial statements on a going concern basis. This conclusion also takes into account management's ability to adapt the Group's operation to changing circumstances caused by the war, including availability of logistic routes, the effects of the suspension of VAT refunds in Ukraine and the independent legal advice received regarding the merits of the ongoing legal actions against the Group in Ukraine. However, as explained above, many of the identified material uncertainties in respect of the ongoing war and legal disputes are outside of management's control, and are unpredictable, which may cast significant doubt upon the Group's ability to continue as a going concern. For more information on critical judgements made by management in preparing these consolidated financial statements, see also Note 15 Commitments, contingencies and legal disputes in respect of other ongoing legal proceedings and disputes and Note 17 Events after the reporting period.

If the Group is unable to continue to realise assets and discharge liabilities in the normal course of business, it would be necessary to adjust the amounts in the statement of financial position in the future to reflect these circumstances, which may materially change the measurement and classification of certain figures contained in these consolidated financial statements.

IMPACT OF CLIMATE CHANGE ON THE GROUP'S FINANCIAL STATEMENTS

The Group acknowledges the potential impact of climate change on its operations and recognises that climate change could have direct and indirect financial implications in the future.

Despite the ongoing war in Ukraine, the Group remains committed to reduce its Scope 1 and Scope 2 carbon emissions by 50% by 2030, compared to the baseline year of 2019, and is targeting a net zero production for Scope 1 and Scope 2 carbon emissions by 2050.

In terms of the Group's net zero pathway, it is important to acknowledge that the Group is still operating in a challenging environment, which requires the fast adaption to new circumstances and uncertainties that are outside of the Group's control. As a result, there is a risk that the Group may also need to adapt its carbon emission reduction and net zero targets, depending on the duration and impact of the ongoing war in Ukraine. Further information is provided in the Group's 2024 Responsible Business Report published in November 2025 and the 2023 Climate Report published in December 2024.

The ongoing war in Ukraine continues to have an impact on the Group's cash flow generation and profitability. As a result, certain projects related to the Group's Scope 1 and Scope 2 carbon emission targets and the net zero pathway were stopped since the beginning of the war in February 2022.

In terms of the impact on the Group's operation in Ukraine, see Going concern on pages 46 to 49 for further information. As a consequence of the ongoing war in Ukraine, the Group has not entered into any significant commitments for the renewal and replacement of processing and mining equipment in its operations, particularly in Ukraine, as it had been planned prior to the outbreak of the war.

Physical risks

The Group is aware of the potential increased risks that climate change could pose to its assets in Ukraine. In preparing the consolidated financial statements, the Group considered the potential impacts of climate related physical risks (specifically heatwaves) on its operations, assets, and liabilities, informed by climate scenario analysis conducted in 2024 in line with TCFD recommendations. However, it was determined that there is no immediate risk at this time and the Group will continue to monitor and consider these risks when planning the renewal and replacement of its existing operating assets.

Transition risks and opportunities

The Group is aware of a potential shift towards a low-carbon economy and the potential implications for its business models, which could affect market demand for its iron ore products in the medium to long term.

Following the climate scenario analysis in 2024 the Group is aware of the downstream market opportunities arising from the increased demand for low carbon steel. The Group's production of a low carbon iron ore pellet provides a significant opportunity and it is facilitating stakeholder engagement to explore this market.

The Group is in the position to produce Direct Reduction ("DR") pellets and continues to monitor the market and invest in customer relationships in order to secure fixed supply volumes in the short, medium and long term. The shift does not affect the Group's finished goods on stock as at 31 December 2025 as these are still in demand and expected to be sold in the coming months.

The transition risks, as well as the Group's Scope 1 and Scope 2 carbon emission targets and the net zero pathway, could also have an impact on the Group's processing and mining equipment required in the future. In the absence of any significant commitments for processing and mining equipment as at 31 December 2025, there is no significant impact on the expected remaining useful lives of the Group's operating assets at this time. Furthermore, the Group assumes that its critical operating assets will continue to be an essential part of the Group's business activities in the future. However, the Group will continue to monitor these risks and take them into account when planning the renewal and replacement of its existing operating assets.

As at the time of approval of these consolidated financial statements, no significant changes to the Group's mine plan are expected that could have a material impact on the Group's operating assets, which are either amortised based on the expected remaining useful life or the unit of production method, and on the recognised site restoration provisions. However, the Group's mine plan is being affected by the ongoing war in Ukraine, which requires a high degree of flexibility and adaptability, and may consequently lead to adjustment to the mine plan.

There are a number of work streams underway to develop the Group's decarbonisation pathway and create a structure on which to plan and prioritise future investments. This pathway is, however, also dependent on the duration and impact of the ongoing war in Ukraine. The Group's business model is regularly updated based on the circumstances in Ukraine and more clarity about the Group's future decarbonisation pathway is expected to be available, once the war comes to an end, allowing the Group to make required commitments for the renewal and replacement of processing and mining equipment.

See also the Group's Principal Risk section on page 37 for further information on risks relating to climate change.

NEW STANDARDS AND INTERPRETATIONS ADOPTED

The accounting policies and methods of computation adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024 except for the adoption of new standards, interpretations and amendments to UK adopted IFRS effective as at 1 January 2025.

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED WITHOUT AN IMPACT ON THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS

Amendments to IAS 21 *Lack of Exchangeability* provide guidance on when a currency is exchangeable into another currency and further clarify how a spot rate is estimated when a currency lacks exchangeability.

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET ADOPTED

The Group has elected not to adopt early any revised and amended standards or interpretations that are not yet mandatory in the UK. The standards and interpretations below could have an impact on the consolidated financial statements of the Group in future periods.

Amendments to IFRS 7 and IFRS 9 *Classification and Measurement of Financial Instruments* were issued in May 2024 and are effective for annual reporting periods beginning on or after 1 January 2026. The amendments provide further clarification and requirements for the recognition and derecognition criteria for financial assets and liabilities, the classification requirements for financial assets, particularly those containing contingent features (such as ESG-linked targets) and non-recourse features or contractually linked instruments. It also requires disclosures related to the amendments to the classification requirements and also for investments in equity instruments designated at fair value through other comprehensive income. The Group does not expect a material impact on its consolidated financial statements because of these amendments.

Amendments to IFRS 7 and IFRS 9 *Contracts Referencing Nature-dependent Electricity* were issued in December 2024 and are effective for annual reporting periods beginning on or after 1 January 2026. The amendments clarify the own-use exemption and hedge accounting for contracts linked to electricity generation dependent on natural conditions (e.g. wind, solar). The IASB clarified that other contracts, for example, contracts for electricity generated from biofuel, are not within the scope of the amendments because such electricity generation is not subject to the same uncertainty as in-scope contracts. Entities must assess whether they are net purchasers of electricity to qualify for own-use treatment and may designate variable nominal volumes in cash flow hedges to reflect renewable variability. New IFRS 7 disclosures require qualitative and quantitative information on these contracts, related commitments, and their impact on performance. The Group does not expect a material impact on its consolidated financial statements because of these amendments.

New standard IFRS 18 *Presentation and Disclosure in Financial Statements* was published by the International Accounting Standards Board ("IASB") on 9 April 2024. The new standard will be effective for annual reporting periods beginning on or after 1 January 2027. It requires the presentation of two new defined subtotals in the consolidated income statement a) operating profit and profit before financing and income taxes as well as the disclosure of management-defined performance measures ("MPMs") and b) subtotals of income and expenses not specified by IFRS Accounting Standards that are used in public communications to communicate management's view of an aspect of an establishment's financial performance. It also requires a reconciliation between the MPMs and the most directly comparable totals or subtotals specified by IFRS Accounting Standards, in order to provide transparency on the entity-specific performance measures. Ferrexpo Group assessed the implications of the new IFRS 18 standard and has identified the changes required for presentation of the consolidated income statement and prepared the new mapping of the accounts to meet the requirements of the new standard. The disclosure requirements related to the management-defined performance measures ("MPMs") are currently still examined. With the exception of the addition of the two new defined subtotals and the disclosures on MPMs, the Group does not expect a material impact on its consolidated financial statements because of this new standard.

There are limited changes to IAS 7 *Statement of Cash Flows* to improve comparability by specifying a consistent starting point for the indirect method of reporting cash flows from operating activities and eliminating options for the classification of interest and dividend cash flows. The new standard will be effective for annual reporting periods beginning on or after 1 January 2027 and enhances the general and specific requirements for aggregation and disaggregation to help the Group to provide useful information. The specific requirements include those for disaggregation of 'other' balances, such as the presentation of operating expenses in the income statement and disclosure of specified operating expenses by nature included in each function line item. The Group does not expect a material impact on its consolidated financial statements because of this new standard.

The Group expects that all other standards, interpretations and amendments issued at the reporting date, but not yet to be adopted for these financial statements, are not relevant to the Group as they do not have a material impact on its consolidated financial statements and are therefore not listed above.

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and judgements that affect the amounts reported in the consolidated financial statements and accompanying notes. These estimates and judgements are based on information available as at the date of authorising the consolidated financial statements for issue. Actual results could therefore differ from those estimates and judgements.

The consideration of the impact of climate change on the Group's financial statements did not require critical estimates and judgements when preparing the consolidated financial statements as at 31 December 2025.

The Group identified a number of areas involving the use of critical estimates and judgements made by management in preparing the consolidated financial statements and supporting information is embedded within the following notes:

CRITICAL ESTIMATES

- Note 10 Property, plant and equipment – impairment consideration based on key assumptions

As disclosed in Note 10 Property, plant and equipment, the preparation of the Group's long-term model is based on management's best estimate of key assumptions, such as the expected future prices for iron ore products and for key input materials as well as possible production and sales volumes, taking also into account the current circumstances the Group has to operate in. Any adverse changes to these key assumptions could pose a risk for significant adjustments in future periods.

CRITICAL JUDGEMENTS

- Note 2 Basis of preparation – going concern assumption
- Note 8 Taxation – transfer pricing claims, tax legislation in Ukraine and development in international tax environment
- Note 10 Property, plant and equipment – impairment consideration as a result of the ongoing war in Ukraine
- Note 12 Other taxes recoverable and payable – recoverability of outstanding VAT in Ukraine
- Note 15 Commitments, contingencies and legal disputes – assessment of matters in an environment of political, fiscal and legal uncertainties
- Note 17 Events after the reporting period – non-adjusting post balance sheet events

The most critical judgement made by the management is in respect of the timing of when the Group's operation is expected to recover to pre-war levels. As disclosed in Note 10 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 3: SEGMENT INFORMATION

The Group is managed as a single segment, which produces, develops and markets its principal product, iron ore pellets and concentrate, for sale to the metallurgical industry. While the revenue generated by the Group is monitored at a more detailed level, there are no separate measures of profit reported to the Group's Chief Operating Decision-Maker ("CODM"). In accordance with IFRS 8 Operating Segments, the Group presents its results in a single segment, which are disclosed in the consolidated income statement for the Group. Management monitors the operating result of the Group based on a number of measures including Underlying EBITDA, gross profit and net cash.

UNDERLYING EBITDA AND GROSS PROFIT

The Group presents the Underlying EBITDA as it is a useful measure for evaluating its ability to generate cash and its operating performance. The Group amended its definition of Underlying EBITDA during the financial year 2024 by excluding operating foreign exchange gains and losses. The full definition of Underlying EBITDA and details in respect of the amended definition are provided in the Alternative Performance Measures ("APMs") section.

US$000	Notes	**Year ended 31.12.25**	Year ended 31.12.24
(Loss)/profit before tax and finance		**(209,816)**	19,928
(Gains)/losses on disposal and liquidation of property, plant and equipment		**(572)**	231
Share-based payments		**431**	320
Write-offs and impairments	5	**160,936**	71,871
Allowance on overdue VAT receivable balances		**13,139**	–
Depreciation and amortisation		**68,406**	60,281
Operating foreign exchange gains		**(4,969)**	(83,321)
Underlying EBITDA		**27,555**	69,310

US$000	Notes	**Year ended 31.12.25**	Year ended 31.12.24
Revenue	4	**787,324**	933,263
Cost of sales	5	**(504,214)**	(597,438)
Gross profit		**283,110**	335,825

NET CASH

Net cash as defined by the Group comprises cash and cash equivalents less lease liabilities.

US$000	Notes	**As at 31.12.25**	As at 31.12.24
Cash and cash equivalents	13	**58,447**	105,919
Lease liabilities – current	14	**(4,228)**	(4,665)
Lease liabilities – non-current	14	**(6,792)**	(419)
Net cash		**47,427**	100,835

With the exception of lease liabilities, the Group does not have any outstanding interest-bearing loans and borrowings as at 31 December 2025 and the end of the comparative year ended 31 December 2024.

Net cash is an APM. Further information on the APMs used by the Group, including the definitions, is provided on pages 72 and 73.

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 4 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 4: REVENUE

Revenue for the year ended 31 December 2025 consisted of the following:

US$000	**Year ended 31.12.25**	Year ended 31.12.24
Revenue from sales of iron ore pellets and concentrate	**664,774**	831,807
Freight revenue related to sales of iron ore pellets and concentrate	**77,064**	49,691
Total revenue from sale of iron ore pellets and concentrate	**741,838**	881,498
Revenue from logistics and bunker business	**40,650**	46,139
Revenue from other sales and services provided	**4,836**	5,626
Total revenue	**787,324**	933,263

The Group's sales of iron ore pellets and concentrate were still significantly below pre-war levels because of the ongoing war in Ukraine as was also the case for the comparative year 2024. The Group's seaborne sales continued to benefit from the availability of the Ukrainian Black Sea ports, which had been closed at the beginning of the war, but were reopened again during the financial year 2024. The Group's sales in 2025 were also affected by the suspension of VAT refunds in Ukraine, which required the downscaling of the Group's operation in Ukraine to minimise the impact on the Group's liquidity. See Note 12 Other taxes recoverable and payable for further information.

As at 31 December 2025, freight-related revenue in the amount of US$2,172 thousand (2024: US$4,436 thousand) was deferred because the related performance obligations had not yet been fulfilled, of which US$977 thousand (2024: US$2,799 thousand) are related to the revenue from sales of iron ore pellets and concentrate and US$1,195 thousand (2024: US$1,637 thousand) from the logistics business. The total amount is included in the balance of the contract liabilities. Revenue recognised for the year ended 31 December 2025 includes US$4,436 thousand (2024: nil) that had been included in the opening balance of contract liabilities as at 1 January 2025, for which the related performance obligations were fulfilled during the financial year 2025. There was no such effect during the comparative year ended 31 December 2024 in respect of the revenue from sales of iron ore pellets and concentrate as there were no contract liabilities as at 1 January 2024 due to the absence of not completed sales under the Incoterm CFR as at 31 December 2023 and US$1,915 thousand related to revenue from the logistics business.

Total sales of iron ore pellets and concentrate by geographical destination showing separately countries that individually represented 10% or more of total sales in either the current or prior year were as follows:

US$000	**Year ended 31.12.25**	Year ended 31.12.24
Europe, including Turkey	**354,732**	668,425
Austria	***168,494***	*237,092*
Czech Republic	***99,578***	*97,612*
Turkey	***29,614***	*123,615*
Germany	***18,599***	*127,500*
Others	***38,446***	*82,606*
China & South East Asia	**363,666**	148,363
China	***357,386***	*138,551*
Others	***6,280***	*9,812*
Middle East & North Africa	**23,440**	64,710
Total revenue from sale of iron ore pellets and concentrate	**741,838**	881,498

The Group markets its products across various regions. The disclosure of the segmentation reflects how the Group makes its business decisions and monitors its sales.

Sales to customers that individually represented 10% or more of total sales in either current or prior year accounted for 73% of the revenue from sales of iron ore pellets and concentrate (2024: 67%), and are as follows:

US$000	**Year ended 31.12.25**	Year ended 31.12.24
Customer A	**168,494**	237,092
Customer B	**153,726**	–
Customer C	**99,578**	97,612
Customer D	**74,873**	39,976
Customer E	**29,614**	123,615
Customer F	**18,599**	92,354

Considering the constraints imposed by the ongoing war, the Group has not been able to fulfil the demands from all its customers since the beginning of the war in Ukraine in February 2022, and sales volumes were therefore allocated to markets and customers based on logistics and market considerations. Relationships with long-standing customers are maintained and the Group expects to be able to meet their demand again as soon as the geopolitical situation in Ukraine improves.

NOTE 5: OPERATING EXPENSES

Operating expenses for the year ended 31 December 2025 consisted of the following:

US$000	**Year ended 31.12.25**	Year ended 31.12.24
Cost of sales	**504,214**	597,438
Selling and distribution expenses	**242,405**	246,300
General and administrative expenses	**59,287**	68,974
Other operating expenses	**39,336**	19,862
Total operating expenses	**845,242**	932,574

Total operating expenses include:

US$000	Year ended 31.12.25	Year ended 31.12.24
Inventories recognised as an expense upon sale of goods	**475,471**	566,526
Employee costs (excluding logistics and bunker business)	**76,192**	85,435
Change in inventories of finished goods	**36,097**	4,961
Depreciation of property, plant and equipment and right-of-use assets	**67,636**	59,392
Amortisation of intangible assets	**770**	889
Royalties	**26,093**	32,187
Costs of logistics and bunker business	**44,167**	54,991
Professional fees (including legal fees)	**13,104**	17,676
Audit and non-audit services	**2,348**	2,239
Community support donations	**1,463**	4,319
Impairment loss/(reversal) on financial assets	**5,598**	(1,731)
(Gains)/losses on disposal and liquidation of property, plant and equipment	**(572)**	231

Write-offs and impairments include:

US$000	Notes	Year ended 31.12.25	Year ended 31.12.24
Write-offs of inventories		**1,278**	81
Write-offs of property, plant and equipment		**5,335**	155
Total write-offs		**6,613**	236
Impairment of property, plant and equipment	10	**154,323**	71,635
Total impairments		**154,323**	71,635
Total write-offs and impairments		**160,936**	71,871

Auditor remuneration

US$000	Year ended 31.12.25	Year ended 31.12.24
Audit services		
Ferrexpo plc Annual Report and Accounts	**1,594**	1,464
Subsidiary entities	**352**	328
Total audit services	**1,946**	1,792
Audit-related assurance services	**402**	309
Total audit and audit-related assurance services	**2,348**	2,101
Non-audit services		
Other services	–	138
Total non-audit services	–	138
Total auditor remuneration	**2,348**	2,239

Auditor remuneration paid is in respect of the audit of the financial statements of the Group and its subsidiary entities and, when applicable, for the provision of other services not in connection with the audit.

NOTE 6: FOREIGN EXCHANGE GAINS AND LOSSES

Foreign exchange gains and losses for the year ended 31 December 2025 consisted of the following:

US$000	Year ended 31.12.25	Year ended 31.12.24
Operating foreign exchange gains/(losses)		
Conversion of trade receivables	**5,038**	83,588
Conversion of trade payables	**(481)**	(283)
Others	**412**	16
Total operating foreign exchange gains	**4,969**	83,321
Non-operating foreign exchange gains/(losses)		
Conversion of interest-bearing loans	**1,630**	(37,591)
Conversion of cash and cash equivalents	**(291)**	673
Others	**(988)**	(2,437)
Total non-operating foreign exchange gains/(losses)	**351**	(39,355)
Net foreign exchange gains	**5,320**	43,966

Operating foreign exchange gains and losses are those items that are directly related to the production and sale of pellets (e.g. trade receivables, trade payables on operating expenditure) whereas non-operating gains and losses are those associated with the Group's financing and treasury activities and with local income tax payables.

The translation differences and foreign exchange gains and losses are predominantly dependent on the fluctuation of the exchange rate of the Ukrainian hryvnia against the US dollar and the outstanding US dollar denominated receivable balances in Ukraine. A devaluation of the local currency generally has a positive effect on the Group's production costs and results in operating foreign exchange gains on the conversion of the Ukrainian subsidiaries' trade receivables denominated in US dollar. The effect arising on the translation of non-US dollar functional currency operations, mainly in Ukrainian hryvnia, is included in the translation reserve.

The Ukrainian hryvnia devalued marginally from 42.039 to 42.388 compared to the US dollar during the year ended 31 December 2025. A devaluation of the local currency can result in significant foreign exchange gains on US dollar denominated receivable balances, depending on the underlying net balances, and a reduction of the Group's net assets as a significant portion of assets and liabilities of the Ukrainian subsidiaries are denominated in the local currency, with an opposite effect in the case of an appreciation of the local currency in Ukraine.

The table below shows the closing and average rates of the most relevant currencies of the Group compared to the US dollar.

	Average exchange rate		Closing exchange rate	
Against US$	Year ended 31.12.25	Year ended 31.12.24	As at 31.12.25	As at 31.12.24
UAH	**41.689**	40.152	**42.388**	42.039
EUR	**0.887**	0.924	**0.852**	0.963

NOTE 7: NET FINANCE EXPENSE

Finance expense and income for the year ended 31 December 2025 consisted of the following:

US$000	Year ended 31.12.25	Year ended 31.12.24
Finance expense		
Net interest on defined benefit plans	**(3,384)**	(2,432)
Bank charges	**(611)**	(1,304)
Interest expense on lease liabilities	**(230)**	(191)
Other finance costs	**(661)**	(1,052)
Total finance expense	**(4,886)**	(4,979)
Finance income		
Interest income on bank deposits	**1,754**	3,979
Other finance income	–	7
Total finance income	**1,754**	3,986
Net finance expense	**(3,132)**	(993)

With the exception of lease liabilities, the Group does not have any outstanding interest-bearing loans and borrowings, and no borrowing costs are therefore capitalised.

NOTE 8: TAXATION

CRITICAL JUDGEMENTS

Tax legislation

The Group operates across a number of jurisdictions through its value chain and prices its sales between its subsidiaries using international benchmark prices for comparable products covering product quality and applicable freight costs. Despite two claims received in Ukraine in 2023, the Group is still of the opinion that the terms of the cross-border transactions between the subsidiaries of the Group comply with the legislation applicable in the jurisdictions in which it operates.

In connection with two audits initiated by the State Tax Service of Ukraine ("STS"), formerly known as State Fiscal Service of Ukraine ("SFS"), on 18 February and on 14 June 2021, the Group's two major subsidiaries in Ukraine received tax audit reports on 13 September 2023 and 8 November 2023, stating potential claims for underpayment of corporate profit taxes in Ukraine of UAH2,162 million (US$51,005 thousand as at 31 December 2025), including fines and penalties, and UAH259 million (US$6,110 thousand as at 31 December 2025), respectively.

The two claims received are in relation to cross-border transactions for iron ore pellets and concentrate between the two Ukrainian subsidiaries of the Group and two subsidiaries of the Group outside of Ukraine during the financial years 2015 to 2017. Based on previous experience, no agreements could be reached with the tax authorities and the claims are to be heard by the courts in Ukraine. As a result, both subsidiaries filed the objections against the potential claims stated in the tax audit reports received. After various preparatory meetings in 2024 for both cases, several hearings on the merits before the court of first instance took place in 2024 and in 2025. The hearings are still ongoing and, as a result, no final decisions have been made for the claims received as at the date of the approval of these consolidated financial statements.

A partially negative verdict of the Supreme Court was received by one of the Group's subsidiaries in respect of claims made by the STS as a result of a tax audit of cross-border transactions for the period from 1 September 2013 to 31 December 2015. It is the Group's position that the STS used the verdict of the Supreme Court on the claims for the period from 1 September 2013 to 31 December 2015 as a precedent for the claims made for cross-border transactions during the financial years 2015 to 2017, although the Supreme Court did not appropriately consider relevant technical grounds and the applicable legislation when ruling on this specific case.

In terms of the claims received, the Group will continue to defend its methodology applied to determine the prices between its subsidiaries in the Ukrainian courts, but there is a risk that the independence of the judicial system and its immunity from economic and political influences in Ukraine is not upheld. Negative decisions by the court of appeal, after positive or negative decisions of the court of first instance, is likely to have a significant impact on the Group's future cash flow generation and available cash balance and, as a consequence, on the Group's ability to continue as a going concern, as the decision will become a legal obligation. As at the date of the approval of these consolidated financial statements, no final court decisions have been made for the above-mentioned claims received by the two Ukrainian subsidiaries of the Group and, as a consequence, no specific provisions have been recorded as at 31 December 2025, neither for the claims received nor for any subsequent years, which might also be material, as it is impossible to reasonably quantify the potential exposure. See Note 15 Commitments, contingencies and legal disputes for further information.

Separate from the cases mentioned earlier, on 23 June 2020 Ferrexpo Poltava Mining ("FPM") received a court ruling which grants access to information and documents to the State Bureau of Investigation in Ukraine ("SBI") in relation to the sale of iron ore pellets and concentrate to two subsidiaries of the Group outside of Ukraine during the years 2013 to 2019. FPM cooperated with the SBI and provided the requested information as per the court ruling to support these investigations. On 20 October 2023, the SBI raided the FPM offices with the intention of collecting documents and information for ongoing transfer pricing investigations. In October 2024, FPM became aware of a new transfer pricing investigation by the SBI in connection with the financial years 2014 to 2017. There had been no actions or any new requests from the SBI as at the date of the approval of these consolidated financial statements.

In accordance with the provisions of IFRIC 23 *Uncertainty over income tax treatments*, the Group reviewed and reassessed its exposure in respect of all uncertain tax positions, including the claims received and for cross-border transactions in subsequent years. It is the position of the management of the Group and the Group's external tax advisors that the Ukrainian legislation and regulations on taxation are not always clearly written and are therefore subject to varying interpretations and inconsistent enforcement by local, regional and national tax authorities.

Considering the uncertainties in terms of the legal and tax framework in Ukraine, the Group will continue to defend its pricing methodology applied during all the years in the courts in Ukraine. The transfer pricing testing method has been changed by the Group's Ukrainian subsidiaries in 2025 for the previous years as the Transactional Net Margin Method ("TNMM"), based on advice from local transfer pricing experts, appears to better support the defence strategy in the courts. An unfavourable outcome of any future court proceedings would have an adverse impact on the Group's total income tax expense and effective tax rate in future periods. See also the Principal Risks section for further information on the Ukraine country risk.

Except for the matters in Ukraine mentioned above, the Group is not aware of any other significant challenges by local tax authorities in any jurisdictions in which the Group operates. However, the application of international and local tax legislation and regulations can be complex and requires judgement to assess possible associated risks, particularly in relation to the Group's cross-border operations and transactions.

The income tax expense for the year ended 31 December 2025 consisted of the following:

US$000	**Year ended 31.12.25**	Year ended 31.12.24
Current income tax		
Current income tax charge	**4,494**	18,784
Global minimum top-up tax	**978**	–
Amounts related to previous years	**3,661**	2,374
Total current income tax	**9,133**	21,158
Deferred income tax		
Origination and reversal of temporary differences	**2,202**	8,452
Total deferred income tax	**2,202**	8,452
Total income tax expense	**11,335**	29,610

Tax effects on items recognised in other comprehensive income consisted of the following for the year ended 31 December 2025:

US$000	**Year ended 31.12.25**	Year ended 31.12.24
Tax effect of exchange differences arising on translating foreign operations	**(320)**	(3,972)
Total income tax effects recognised in other comprehensive credit	**(320)**	(3,972)

The weighted average statutory corporate income tax rate is calculated as the average of the statutory tax rates applicable in the countries in which the Group operates, weighted by the profits and losses before tax of the subsidiaries in the respective countries, as included in the consolidated financial information. The weighted average statutory corporate income tax rate for the financial year 2025 was 19.1% before any exceptional items included in the profit before tax for the period and income tax expense in the consolidated income statement (2024: 15.0% before tax for the period and income tax expense).

The Group operates across a number of jurisdictions and its effective tax rate is subject to various factors outside of the Group's control. This includes the volatility in the global iron ore pellet and concentrate market and foreign exchange rate movements, primarily between the Ukrainian hryvnia and the US dollar. The effective tax rate for the financial year 2025 is affected by the additional impairment loss of US$154,323 thousand on the Group's non-current operating assets, which is primarily to be allocated to the Group's operations in Ukraine, and the effect from extracted low grade ore totalling US$15,489 thousand, which are both not tax deductible in Ukraine. As a consequence, there is no deferred tax effect recognised in respect of the impairment loss recorded as it was done in the past on previously recorded impairment losses. The Group is also in a loss position before the significant impairment loss recorded during the financial year 2025, and no deferred tax assets have been recognised on the resulting tax losses carried forwards as it is currently uncertain whether the Group's subsidiaries in the various jurisdictions will be able to benefit from them in the near future.

The effective tax rate of the financial year 2025 was 37.7% with an opposite sign, compared to 33.7% for the financial year 2024, both after the elimination of the exceptional effects mentioned above. Without excluding these effects, the effective tax rate would have been 5.3% for the financial year 2025 and 145.0% for the financial year 2024, both with an opposite sign driven by the losses before taxes.

The net balance of income tax payable changed as follows during the financial year 2025:

US$000	**Year ended 31.12.25**	Year ended 31.12.24
Opening balance	**(6,535)**	(12,770)
Charge in the consolidated income statement	**(9,133)**	(21,158)
Booked through other comprehensive (loss)/income	**320**	3,972
Tax paid	**2,692**	23,278
Translation differences	**(239)**	143
Closing balance	**(12,895)**	(6,535)

The net income tax payable as at 31 December 2025 consisted of the following:

US$000	**As at 31.12.25**	As at 31.12.24
Income tax receivable balance	**7,888**	7,026
Income tax payable balance	**(19,805)**	(13,561)
Global minimum top-up tax payable	**(978)**	–
Closing balance	**(12,895)**	(6,535)

The movement in the deferred income tax balance is as follows:

US$000	**Year ended 31.12.25**	Year ended 31.12.24
Opening balance	**(2,088)**	7,421
Charge in consolidated income statement	**(2,202)**	(8,452)
Translation differences	**(17)**	(1,057)
Closing balance	**(4,307)**	(2,088)

Following the recognition of full allowances on the deferred tax asset and liabilities recognised by the Group's Ukrainian subsidiaries, the net deferred tax liability balance of US$4,307 thousand as at 31 December 2025 is predominantly attributable to the Group's corporate entities. As at the end of the comparative year ended 31 December 2024, the net deferred tax asset balance of US$2,088 thousand was net of a deferred tax asset balance of 1,799 thousand related to the Group's two major subsidiaries in Ukraine.

Full allowances have been recognised as at 31 December 2025 on the deferred tax asset and liability balances of the Ukrainian subsidiaries due to the uncertainty when the subsidiaries will become profitable again, also because of the ongoing war in Ukraine and the reduced operating activities of these subsidiaries as a result of the suspended VAT refunds in Ukraine. The balance of recognised allowances related to the Ukrainian subsidiaries totalled US$32,228 thousand and US$19,798 thousand as at 31 December 2025 and 2024, respectively. The recoverability of the deferred tax assets depends on the level of taxable profits realised by the two subsidiaries in future periods, which is also relevant for the assessment of the duration of the unwind of the temporary differences. Considering the material uncertainty in terms of the Group's going concern, the relevant period for the recovery of the recognised net balance of deferred tax assets had to be aligned to the period of the going concern assessment.

The table below provides details on the not recognised available tax loss carry forwards:

US$000	Year ended 31.12.25	Year ended 31.12.24
Do not expire	**46,385**	41,266
Expire within less than seven years	**41,986**	14,665
Expire after seven years	**29,434**	27,981
Total available tax loss carry forwards	**117,805**	83,912
Thereof in Austria	**45,175**	40,004
Thereof in Ukraine	**30,642**	29,241
Thereof in Hungary	**28,108**	14,667
Thereof in Switzerland	**13,880**	–

No deferred tax liabilities have been recognised on temporary differences in the amount of US$516,241 thousand (2024: US$315,170 thousand) arising from undistributed profits from subsidiaries as no distributions are planned.

The table below provides details on the amounts of temporary differences where deferred tax assets are not recognised:

US$000	As at 31.12.25	As at 31.12.24
Impairment losses on non-current operating assets	**381,976**	232,239
Provision for legal disputes	**114,741**	115,694
Allowances on recognised temporary differences	**179,045**	109,989
Lean ore treatment	**205,419**	191,765
Allowances on VAT receivable balances	**13,331**	–
Total temporary differences not recognised	**894,492**	649,687

The not recognised temporary differences are predominantly related to the Group's business operations in Ukraine and are translated based on the closing rate at the end of the financial year.

BEPS – Pillar Two

The Group is in the scope of the BEPS Pillar Two Model Rules as the consolidated revenues for the financial years 2024, 2022 and 2021 were above the threshold set by the OECD rules. The Group neither recognises nor discloses any information on deferred tax assets and liabilities related to Pillar Two income taxes in its consolidated financial statements for the financial year 2025, which is consistent with the application during the comparative financial year 2024.

Based on the BEPS Pillar Two Global Anti-Base Erosion ("GloBE") Model Rules, the parent company of the Group, Ferrexpo plc, is the Ultimate Parent Entity ("UPE"). Ferrexpo plc is incorporated and domiciled in England and Wales, with its tax domicile in Switzerland. As a result, the enacted legislation in Switzerland is most relevant for the Group. On 22 December 2023, the Swiss government enacted the Pillar Two income taxes legislation, which came into force on 1 January 2024 and provided for the Qualifying Domestic Minimum Top-up Tax ("QDMTT"). On 4 September 2024, the Swiss government decided to implement the Income Inclusion Rule ("IIR") as at 1 January 2025, whereas the implementation of the Undertaxed Profits Rule ("UTPR") is still postponed.

Although the Group's effective tax rate for the financial year 2025 is well above the minimum tax rate of 15.0%, there are two jurisdictions in which the Group is operating with enacted statutory tax rates below the minimum tax rate of 15.0% set under the BEPS Pillar Two Model Rules. The profits of the Group's subsidiaries in Switzerland and the U.A.E. are subject to the QDMTT for taxable profits from the financial year 2025 as these jurisdictions did not pass the Transitional CbCR Safe Harbour ("TCSH") test.

There was no significant impact from the QDMTT, the IIR and the UTPR under the BEPS Pillar Two GloBE Model Rules on the Group's income tax expense and therefore did not have an impact on the Group's effective tax rate as at 31 December 2025. The total effect from top-up tax within the Group amounts to US$978 thousand in connection to QDMTT in Switzerland and the U.A.E.

Taking also into account the implementation of the QDMTT in Switzerland and in the U.A.E. and the IIR in Switzerland, the Group's future effective tax rate, before any exceptional items included in the profit before tax for the period and the income tax expense, is expected to be in a range of 18.0% to 20.0%. The Group's effective tax rate is also dependent on the volatility in the global iron ore pellet and concentrate market and on foreign exchange rate movements, primarily between the Ukrainian hryvnia and the US dollar, and any one-off events, such as impairment losses that might not be tax deductible in some jurisdictions. As mentioned above, the Group has had exceptional items in the past that had a significant impact on the Group's effective tax rate.

NOTE 9: EARNINGS PER SHARE AND DIVIDENDS PAID AND PROPOSED

Distributable reserves

Ferrexpo plc (the "Company") is the Group's holding company, with no direct operating business, so its ability to make distributions to its shareholders is dependent on its ability to access profits held in the subsidiaries. The Group's consolidated retained earnings shown in the consolidated statement of changes in equity do not reflect the profits available for distribution in the Group as at 31 December 2025.

In view of the continued unpredictable situation in Ukraine, no dividends were proposed for the year ended 31 December 2025 as at the date of the approval of these consolidated financial statements. Considering the provisions of the Companies Act 2006 and relevant thin capitalisation rules, the total available distributable reserves of Ferrexpo plc would be approximately US$96,600 thousand as at 31 December 2025 (2024: US$77,500 thousand).

	Year ended 31.12.25	Year ended 31.12.24
Loss for the year attributable to equity shareholders – per share in US cents		
Basic	**(38.06)**	(8.51)
Diluted	**(38.06)**	(8.51)
Loss for the year attributable to equity shareholders – US$000		
Basic and diluted loss	**(223,911)**	(50,046)
Weighted average number of shares – thousands		
Basic number of ordinary shares outstanding	**588,385**	588,363
Effect of dilutive potential ordinary shares	**11,872**	11,061
Diluted number of ordinary shares outstanding	**600,257**	599,424

DIVIDENDS PROPOSED AND PAID

Future distributable reserves at the Ferrexpo plc level are also dependent on the payment of dividends by the subsidiaries to the respective parent companies within the Group. Further to that, the distributable profits at subsidiaries' level are subject to potential impairment losses and provisions for legal disputes to be or already recorded in the respective stand-alone statutory financial statements as a result of uncertainties in Ukraine in connection with the ongoing war and legal disputes. Certain Group companies are currently restricted from paying dividends outside of Ukraine due to Ukrainian currency control measures imposed under martial law. Furthermore, the uncertainties related to the political environment and the independence of the legal system and other circumstances facing the Group (see Note 15 Commitments, contingencies and legal disputes) could also have a negative impact on Ferrexpo plc's ability and potential for future dividend payments. Further to that, an outflow of funds in connection with ongoing legal disputes would have an adverse impact on the Group's available cash balance for potential future dividend payments, despite a considerable amount of distributable profits of one of the Group's subsidiaries in Ukraine.

As disclosed in Note 2 Basis of preparation, a nationalisation of 49.5% of shares in Ferrexpo Poltava Mining ("FPM") or a transfer of 49.5% of the corporate rights in FPM to Ukraine's Asset Recovery and Management Agency ("ARMA") for management of these corporate rights will also have an impact on the equity attributable to the shareholders of Ferrexpo plc and its future distributable reserves.

US$000	**Year ended 31.12.25**
Dividends paid during the year	
Dividends on vested 2022 LTIP awards	**8**
Total dividends paid during the year	**8**

US$000	Year ended 31.12.24
Dividends paid during the year	
Dividends on vested 2021 LTIP awards	46
Total dividends paid during the year	46

Dividends paid during the financial years 2025 and 2024 related to the Group's share-based scheme. Further information is provided in the Remuneration Report.

Although accounts are published in US dollars and dividends are declared in US dollars, the shares are denominated in UK pounds sterling and dividends are therefore paid in UK pounds sterling.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2025, the additions to property, plant and equipment totalled US$63,755 thousand (31 December 2024: US$121,776 thousand) and the net book value of the disposals of property, plant and equipment totalled US$181 thousand (31 December 2024: US$988 thousand). The total depreciation charge for the year was US$65,802 thousand (31 December 2024: US$59,254 thousand).

Assets under construction consist of ongoing capital projects amounting to US$197,838 thousand (2024: US$232,773 thousand) and capitalised pre-production stripping costs of US$31,223 thousand (2024: US$38,420 thousand) for components of ore bodies expected to be put into operation in future periods only. Once the extraction of ore commences in relation to these ore bodies, the capitalised stripping costs are transferred to mining assets and the depreciation commences.

Deferred pre-production stripping costs in the amount of US$182,640 thousand relate to components of the ore bodies put into operation and are included in mining assets (2024: US$214,682 thousand). No production stripping costs are capitalised as of this point in time.

Property, plant and equipment include a total of capitalised borrowing costs on qualifying assets of US$21,400 thousand (2024: US$25,073 thousand). With the exception of lease liabilities, the Group does not have any outstanding interest-bearing loans and borrowings, and borrowing costs are therefore no longer capitalised.

The gross value of fully depreciated property, plant and equipment that is still in use is US$192,964 thousand (2024: US$165,746 thousand).

See Note 2 Basis of preparation in respect of the impact of climate change on the Group's financial statements.

CRITICAL ESTIMATES AND JUDGEMENTS

The most critical accounting estimates are in relation to key assumptions used for the preparation of the Group's financial long-term model, such as the expected future prices for iron ore products and for key input materials as well as possible production and sales volumes, taking also into account the current circumstances the Group has to operate in, including available logistics routes. Further to the critical estimates, the preparation of the Group's financial long-term model required also some critical judgements from management in respect of the timing of when the Group's operation is expected to return to pre-war levels and when VAT refunds in Ukraine will resume again. The critical estimates and judgements do have a significant impact on the computation of the value in use of the Group's non-current assets and, as a consequence, on the outcome of the Group's impairment test. See Note 2 Basis of preparation for further information on matters affecting the Group's financial long-term model.

The Group's impairment test is based on cash flow projections over the remaining estimated lives of the GPL and the Yerystivske deposits, which are expected to expire in 2058 and 2048, respectively, according to the current approved mine plans. The cash flow projection is based on a financial long-term model approved by senior management and the effects of expected future mine life extension programmes are not taken into account in the estimated future production volumes. As in the past, the several critical estimates and judgements used when preparing the Group's financial long-term model are reviewed by the Audit Committee with specific consideration given to the realistically plausible production volumes in light of the current situation in the country, sales price and production cost forecasts as well as the discount rate used to discount the cash flows. The situation in Ukraine remains unpredictable and continues to require the Group to be extremely flexible, as mining operations, production and available logistics routes have to be adapted to the prevailing conditions. Following the suspension of VAT refunds in Ukraine, the Group had to adjust its production plan to mitigate working capital outflows and preserve cash, affecting also the Group's cash flow generation in future periods and resulting in a further delay of the ramp-up of its operation to pre-war levels. As at the date of the approval of these consolidated financial statements, despite various court decisions in favour of the Group's Ukrainian subsidiaries, they have not received any VAT refunds since March 2025 due to the personal sanctions imposed on Mr Zhevago.

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. These sanctions were treated as a non-adjusting post balance sheet event in the consolidated financial statements for the year ended 31 December 2024 and as disclosed in the Note 17 Events after the reporting period of these financial statements. Due to the personal sanctions imposed on Mr Zhevago, VAT refunds in Ukraine have been suspended by the local tax authorities, which required the adjustment of the Group's long-term model used for the Group's impairment tests performed as at 30 June 2025, resulting in an impairment loss of US$ 154,323 thousand as at this date.

In addition to ongoing legal actions taken by the Ukrainian government against the Group, including the effects of the personal sanctions on Mr Zhevago mentioned above, the Group's operation in Ukraine is still affected by the ongoing war in Ukraine. Following intensified attacks from Russia on port infrastructure and civil vessels in the Black Sea in July 2026, the logistics route via the ocean-going Black Sea ports in Ukraine is currently unavailable to the Group. As at the date of the approval of these consolidated financial statements, the war and the legal disputes in Ukraine are still ongoing and the duration and possible implications on the Group's operation are difficult to predict.

The financial long-term model is continuously updated, the last time in July 2026, using management's best estimate of reasonably conservative key assumptions, taking also into account the current circumstances the Group has to operate in, including the effects from the continued suspended VAT refunds in Ukraine on the Group's development in future periods. In terms of the key assumptions used, an average iron ore index price of US$115 per tonne of 65% Fe fines CFR North China was used in the assumptions for the cash flow projection for the next five years. When assessing its expected future long-term selling price, the Group considers external and internal analysis of the short-term and longer-term supply and demand dynamics on the international market for iron ore pellets and concentrate as well as more specific local supply and demand balances affecting its major customers.

The Group's production level is currently constrained by the suspended VAT refunds in Ukraine and remains highly dependent on a constant power supply and the logistics network available to the Group as well as other potential adverse effects on the Group's operation due to the ongoing war. As a result of the current restrictions, the production capacity used for the cash flow projection under the base case is expected to be approximately 40% of the pre-war level for the financial year 2026, before an increase to approximately 64% in 2027 and an expected recovery to pre-war levels in the second half of 2028. Because of an increased demand for high-grade concentrate and the expected realisable margins based on forecast market conditions, the share of concentrate production increased significantly and averaged around 28% for the years covered by the long-term model, compared to 11% in the long-term model used for the 2024 year-end impairment test. There is no perpetual growth rate applied for the cash flow projections beyond the last year covered by the Group's long-term model. The Group's expected major cost components, such as production and shipping costs, are determined taking into account local inflationary pressure, major exchange rate developments between the Ukrainian hryvnia and the US dollar, the short-term and longer-term trends in energy supply and demand and the expected movements in steel-related commodity prices, which could have a material effect on the cost of certain production input materials. In terms of the currently unavailable logistics route via the Black Sea ports in Ukraine, given the importance of this route for both parties involved in this war and for the global grain supply, it is management's judgement the situation will ease later in 2026 and it is therefore expected that the Black Sea ports should once again be available to the Group for its sales to certain markets.

Due to the expected increase of the share of concentrate production during the years covered by the Group's long-term model, management has assessed whether the increase in concentrate production could indicate that the assets used for the production of pellets and concentrate represent two separate cash-generating units. Following a thorough assessment, management concluded that it is still appropriate to test the Group's non-current operating assets based on one CGU because of the high level of vertical integration of the Group's production at the Group's major subsidiary Ferrexpo Poltava Mining and absence of largely independent cash flows. Further to that, it is management's view that an impairment test based on two CGUs would not reflect appropriately the Group's current challenging circumstances as the total impairment loss would be limited by the total value of the assets used for the production of pellets.

The key assumptions used for the preparation of the Group's long-term model are:

Key assumptions	Basis
Future production and sales volume	Proved and probable reserves and available logistics capacity and power supply
Commodity prices	Contract prices and longer-term price estimates
Capital expenditures	Estimated future sustaining capital expenditures
Cost of raw materials and other production/distribution	Expected future cost of production
Exchange rates	Longer-term predictions of market exchange rates
Nominal pre-tax discount rate	Cost of capital risk adjusted for the resource concerned

The outcome of the Group's impairment test is predominantly dependent on the forecast cash flow generation and the nominal pre-tax discount rate to be applied. For the impairment test as at 31 December 2025, it was decided to apply a dual WACC approach, whereby a higher WACC is used for the years during which the war is expected to be ongoing and a post-war WACC is applied for the years following the war. As a result, the Group's forecast cash flows for the financial years 2026 and 2027 were discounted with a WACC of 25.8% and those for the following years with a WACC of 19.2% (2024: single WACC of 23.1%), both of them still significantly higher than the pre-war WACC of 13.8% as at 31 December 2021. It is management's position that the change to a dual WACC approach is a better basis for the computation of the value in use of the Group's non-current operating assets as at 31 December 2025 as this more accurately reflects the impact of the terminal value on the value in use.

According to the base case of the Group's impairment test prepared for the 2025 year end accounts, the value in use of the Group's single cash-generating unit's operating non-current assets, including property, plant and equipment as well as other intangible assets and other non-current assets, supported the carrying value of these assets as at 31 December 2025, as a result, no further impairment losses needed to be recognised in addition to the impairment loss of US$154,107 thousand recognised as at 30 June 2025. As in the past, the recorded impairment loss is allocated to various asset categories within property, plant and equipment. The key assumptions in respect of production and sales volumes are largely dependent on the point of time when VAT refunds in Ukraine will resume again, whereas the production costs are dependent on end of the war in Ukraine, and therefore a wide range of alternative outcomes are possible, reflecting a high level of uncertainty. The Group's financial long-term model assumes an inflow of US$100,000 thousand from a fundraise expected to be completed in late September 2026, which is conditional on all of the resolutions being passed by the shareholders of Ferrexpo plc. If the resolutions are not passed by the shareholders, or if any of the other conditions are not satisfied, the planned fundraise will not proceed, which will have a significant impact on the Group's ability to continue as a going concern and, as a consequence, on the valuation of its non-current operating assets.

A delay of the recovery of the production and sales volumes to a pre-war level by another year, which is possible, if VAT refunds are not resumed as expected by management, with all other assumptions remaining unchanged, would reduce the value in use of the Group's non-current operating assets by approximately US$79,000 thousand. A reduction of the realised price by 10% in 2026 and 5% for each year until 2048 would reduce the value in use by approximately US$240,000 thousand and a decrease of the production and sales volume by 10%, combined with an increase of the production costs by 5%, again for the entire period of the assessment, would reduce the value in use by approximately US$292,000 thousand whilst every 1.0% increase of the nominal pre-tax discount rate would reduce the value in use by approximately US$50,000 thousand, with all other assumptions remaining unchanged. There is a potential risk that the logistics route via the ocean-going Black Sea ports in Ukraine may not be available to the Group as currently expected by management and as reflected in the Group's current long-term model.

The total impairment loss of US$154,107 thousand recorded during the financial year 2025 is in addition to the impairment losses of US$71,170 thousand and US$254,477 thousand recorded during the financial years ended 31 December 2024 and 31 December 2022. The recorded impairment losses will be re-assessed at the end of any future reporting periods. If there are positive developments in the Group's future cash flow generation and the relevant macroeconomic data, the impairment loss or a portion of it might reverse in future periods. Conversely, an adverse change in the above key assumptions might further reduce the value in use of these assets.

As disclosed in Note 2 Basis of preparation and Note 15 Commitments, contingencies and legal disputes, the Group announced on 29 January 2024 that a Ukrainian court of appeal has confirmed a claim against Ferrexpo Poltava Mining ("FPM") in the amount of UAH4,727 million (US$111,517 thousand as at 31 December 2025), in respect of contested sureties. FPM appealed this decision to the Supreme Court of Ukraine and the court proceedings continued during the year ended 31 December 2025 and no decision has been made as at the date of the approval of these consolidated financial statements. In relation to the contested sureties' claim, which is still under review by the Supreme Court of Ukraine, a local court of first instance in Poltava ruled in favour of the claimant in the dispute over the contested sureties and ordered the opening of bankruptcy proceedings against Ferrexpo Poltava Mining ("FPM"). Despite the fact that it was management's view that FPM has compelling arguments to defend its position in the Supreme Court of Ukraine, given the magnitude of this specific claim and the underdeveloped and fragile judicial system in Ukraine, the Group recorded a full provision for this claim as at the end of the financial year ended 31 December 2023 in accordance with IAS 37 Provisions, contingent liabilities and contingent assets and has not been released as at 31 December 2025. If the ruling of the Supreme Court is not in favour of FPM or if any enforcement procedures are commenced by the appointed insolvency manager before the final ruling of the Supreme Court, there is a risk that some of the Group's property, plant and equipment will be seized or subject to a forced sales process as part of the enforcement proceedings. Although the Group has recognised a provision for the full amount of the contested sureties claim, there is a risk that any assets subject to seizure or a forced sales process are valued at an amount which is different than their current carrying values as at 31 December 2025. Note 2 Basis of preparation provides further information in terms of the possible implications on the Group's ability to continue as a going concern.

In addition to the case above and as disclosed in Note 2 Basis of preparation, there is still a risk of nationalisation of 49.5% of shares in FPM and certain of its assets, which could potentially affect the availability of FPM's property, plant and equipment and, as a consequence, the carrying value of these assets included in the Group's consolidated financial statements. Due to the lack of information available at the date of the approval of these consolidated financial statements, it is impossible to estimate the possible financial impact in future periods. See Note 15 Commitments, contingencies and legal disputes for further information.

NOTE 11: INVENTORIES

At 31 December 2025, inventories comprised:

US$000	**As at 31.12.25**	As at 31.12.24
Raw materials and consumables	**36,291**	43,540
Spare parts	**74,595**	85,076
Finished ore pellets	**8,739**	49,740
Work in progress	**7,941**	12,115
Other	**1,462**	2,037
Total inventories – current	**129,028**	192,508
Weathered ore	**12,329**	5,185
Total inventories – non-current	**12,329**	5,185
Total inventories	**141,357**	197,693

Following attacks on Ukrainian energy infrastructure on 8 November 2025, the supply of power to the Group's operations has been affected and as a result its production of iron ore pellets and concentrate was interrupted and affected later in November and December 2025, resulting in low inventories of finished iron ore pellets and concentrate as at 31 December 2025.

Historically, inventories classified as non-current comprised low-grade and weathered ore that were, based on the Group's processing plans, not planned to be processed within the next 12 months. The balance of US$12,329 thousand as at 31 December 2025 is net of impairment losses of US$231,111 thousand recorded as at 31 December 2021, as it was not possible to reliably predict at this point of time when required additional processing capabilities will be available to specifically process the stockpiled low-grade and weathered ore. The stockpiled low-grade ore is still considered as an asset for the Group and a portion of or all of the impairment losses might reverse in the future, once changed facts and circumstances can be considered in the net realisable value test of this asset. Due to the ongoing war in Ukraine resulting in a lower cash flow generation, it is currently impossible to accelerate the commenced engineering studies for the exploration of possible options for new processing capabilities required to specifically process low-grade ore, so that there are still no changes in facts and circumstances to be considered as at 31 December 2025.

During the financial year ended 31 December 2025, a volume of 1,998 thousand (2024: 3,684 thousand) tonnes of low-grade ore in the amount of US$15,194 thousand (2024: US$36,317 thousand) was extracted and stockpiled, and directly recognised in the consolidated financial statements, included in cost of sales, due to the uncertainties in respect of the expected time of processing of the extracted and stockpiled volumes.

As disclosed in Note 2 Basis of preparation and Note 15 Commitments, contingencies and legal disputes, there is a risk that some of the Group's inventories are seized or subject to a forced sales process, if enforcement procedures in respect of an ongoing legal dispute commence. Although the Group has recognised a provision for the full amount of the contested sureties claim, there is a risk that the future net realisable value of potentially seized finished goods subject to any potential seizure or forced sales process is different than the value recognised at cost in the consolidated financial statements as at 31 December 2025.

NOTE 12: OTHER TAXES RECOVERABLE AND PAYABLE

As at 31 December 2025, taxes recoverable and prepaid comprised:

US$000	**As at 31.12.25**	As at 31.12.24
VAT receivable	**2,852**	35,270
Other taxes prepaid	**764**	1,026
Total other taxes recoverable and prepaid – current	**3,616**	36,296
VAT receivable	**71,195**	–
Total other taxes recoverable and prepaid – non-current	**71,195**	–
Total other taxes recoverable and prepaid	**74,811**	36,296

Following the suspension of VAT refunds in Ukraine, it is expected that the outstanding VAT balance in Ukraine will be recovered only 12 months after the year **en**d**.**

The total non-current VAT receivable balance as at 31 December 2025 in the table above is net of allowances of US$15,113 thousand (31 December 2024: US$2,146 thousand), of which US$2,033 thousand (31 December 2024: US$2,146 thousand) are not related to the adjusting post balance sheets event described under critical estimates below. The allowances recorded in respect of the negative court decisions are considered as adjusting items and therefore excluded from the Group's underlying EBITDA as of an exceptional nature.

The table below provides a reconciliation of the VAT receivable balance in Ukraine:

US$000	**Year ended 31.12.25**	Year ended 31.12.24
Opening balance, gross	**33,984**	27,104
Net VAT incurred	**70,030**	111,020
VAT refunds received	**(16,494)**	(100,224)
Translation differences	**(1,212)**	(3,916)
Closing balance, gross	**86,308**	33,984
Allowance	**(15,113)**	(2,146)
Closing balance, net	**71,195**	31,838

The VAT balance outstanding and claimed at the end of the comparative year ended 31 December 2024 in the amount of US$16,494 thousand was refunded in January and February 2025 in full. Since then, the Group's subsidiaries in Ukraine have not received any VAT refunds, due to the personal sanctions imposed on Mr Zhevago. The remaining balance outstanding as at 31 December 2024 was claimed in January and February 2025 only and is included in the total balance of suspended VAT refunds as at 31 December 2025. Further details are provided under critical estimates below.

CRITICAL ESTIMATES

As disclosed in Note 15 Commitments, contingencies and legal disputes, Ferrexpo Poltava Mining ("FPM") and Ferrexpo Yeristovo Mining ("FYM") received in 2025 and 2026 notifications from the Ukrainian tax authorities of a decision to suspend the claims made for various monthly VAT refunds.

As at 31 December 2025, VAT refunds in the aggregate amount of UAH2,599,043 thousand (US$61,315 thousand at this date) were suspended by the State Tax Service ("STS"). FPM and FYM have been filing and will continue to file lawsuits to the court for each month in relation to the suspended VAT refunds. It is expected that VAT refunds will resume only once the personal sanctions imposed on Mr Zhevago have been lifted or if the local tax authorities complied with the favourable court rulings obtained by the Group's subsidiaries.

Despite certain positive court decisions in respect of the claims made by the Group's subsidiaries for not refunded VAT balances, the balances claimed neither have been refunded by the local tax authorities nor is there a contractual agreement regarding the exact timing of the expected refunds in place. At the same time, as disclosed in Note 17 Events after the reporting period, the Group's subsidiaries received in May, June and July 2026 five negative decisions from the court of appeal in respect of five monthly VAT refund claims, for which the refunds of individual monthly claims made in the past were refused by the tax authorities. These negative decisions received in 2026 relate to legal proceedings that commenced in 2025 and are therefore treated as adjusting events after the reporting period when preparing these consolidated financial statements for the year ended 31 December 2025. Consequently, additional allowances totalling US$13,080 thousand were recognised as at 31 December 2025. The Group's subsidiaries have resubmitted the claims refused by the court of appeal to the tax authorities for refund in cash. No allowance or discount effect was recorded as at 31 December 2025 for the outstanding balances expected to be refunded after more than 12 months, for which no negative decisions from the court of appeal were received. Further information on the ongoing court proceedings is provided in Note 15 Commitments, contingencies and legal disputes.

Further to that, management is continuing to monitor the situation closely and examining possible measures to ensure that VAT refunds are received again in the near future. The situation is continuously reassessed by management based on the developments in the courts, and it is currently unclear when VAT refunds can be expected again. However, the absence of VAT refunds does have an impact on the Group's cash flow generation and available cash balance and, as a consequence, on the Group's ability to continue as a going concern. See Note 2 Basis of preparation for further details.

As at 31 December 2025, other taxes payable comprised:

US$000	As at 31.12.25	As at 31.12.24
Environmental tax	**376**	819
Royalties	**5,242**	8,174
VAT payable	**120**	201
Other taxes	**4,081**	4,294
Total other taxes payable	**9,819**	13,488

NOTE 13: CASH AND CASH EQUIVALENTS

As at 31 December 2025, cash and cash equivalents comprised:

US$000	As at 31.12.25	As at 31.12.24
Cash at bank and on hand	**58,447**	105,919
Total cash and cash equivalents	**58,447**	105,919

The balance of cash and cash equivalents throughout the financial year 2025 and as at 31 December 2025 was affected by suspended VAT refunds in Ukraine as the Group had to reduce its forecast production plan for 2025, affecting its profitability and cash flow generation.

As disclosed in Note 17 Events after the reporting period, the banking license of the Group's transactional bank in Switzerland was revoked on 27 February 2026 and the bank has been ordered to liquidate by the Swiss Financial Market Supervisory Authority ("FINMA"). As a result, the balance held at this bank, totalling US$2,971 thousand as at this date, was temporarily unavailable to the Group. This bank was used by the Group to make commercial payments outside of Ukraine and management has introduced alternative banking solutions to ensure the continuance of the Group's commercial payments outside of Ukraine. On 11 August 2026, the Group was informed by the bank that its liquidators have approved the payout of the withheld funds to another bank of the Group. Based on the information received, the Group expects to recover its deposit with this bank in full in the weeks following the approval of these consolidated financial statements.

The Group was in a net cash position as at 31 December 2025 and 2024. See Note 3 Segment information for further information.

The balance of cash and cash equivalents held in Ukraine amounted to US$646 thousand as at 31 December 2025 (31 December 2024: US$4,041 thousand). Despite the foreign exchange control measures imposed under martial law in Ukraine (see Note 15 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 14: LEASE LIABILITIES

As at 31 December 2025, the lease liabilities comprised:

US$000	As at 31.12.25	As at 31.12.24
Current		
Lease liabilities	**4,228**	4,665
Total current lease liabilities	**4,228**	4,665
Non-current		
Lease liabilities	**6,792**	419
Total non-current lease liabilities	**6,792**	419
Total lease liabilities	**11,020**	5,084

The lease liabilities recognised by the Group primarily relate to the 12-month period of lease agreements for land not used for the direct extraction of iron ore in Ukraine and to long-term rental contracts for several of the Group's office premises with rental periods of five to ten years.

With the exception of the lease liabilities shown below, the Group does not have any outstanding interest-bearing loans and borrowings as at 31 December 2025 and as at the end of the comparative year ended 31 December 2024.

The table below shows the movements in the lease liabilities:

US$000	Year ended 31.12.25	Year ended 31.12.24
Opening balance of lease liabilities	**5,084**	6,948
Cash movements:		
Principal and interest elements of lease payments	**(4,669)**	(5,755)
Total cash movements	**(4,669)**	(5,755)
Non-cash movements:		
Additions to lease liabilities	**10,653**	4,174
Others (including translation differences)	**(48)**	(283)
Total non-cash movements	**10,605**	3,891
Closing balance of lease liabilities	**11,020**	5,084

The total cash outflow for leases during the financial year ended 31 December 2025 amounted to US$5,333 thousand (2024: US$6,477 thousand), of which US$4,669 thousand relates to leases falling under the scope of IFRS 16 Leases (2024: US$5,755 thousand).

During the financial year ended 31 December 2025, an expense in respect of short-term leases of US$664 thousand (2024: US$722 thousand) and interest expense on lease liabilities of US$230 thousand (2024: US$191 thousand) was recognised in the consolidated income statement during the financial year ended 31 December 2025, with the total effect included in the cash flow from operating activities.

Further information on lease-related commitments see Note 15 Commitments, contingencies and legal disputes.

NOTE 15: COMMITMENTS, CONTINGENCIES AND LEGAL DISPUTES

COMMITMENTS

Commitments as at 31 December 2025 consisted of the following:

US$000	**As at 31.12.25**	As at 31.12.24
Total commitments for the lease of mining land (out of the scope of IFRS 16)	**53,647**	54,948
Total capital commitments on purchase of property, plant and equipment	**116,069**	115,190
Commitments for investment in a joint venture	**6,000**	6,064

For further information on lease-related commitments see Note 14 Lease liabilities.

LEGAL

In the ordinary course of business, the Group is subject to various legal actions and ongoing court proceedings. There is a risk that the independence of the judicial system and its immunity from economic and political influences in Ukraine is not upheld, and consequently Ukrainian legislation might be inconsistently applied to resolve the same or similar disputes. See also the Principal Risks section on pages 32 and 33 for further information on the Ukraine country risk and Note 17 Events after the reporting period in terms of developments of ongoing court proceedings after the reporting period.

CRITICAL JUDGEMENTS

The Group is exposed to the risks associated with operating in a dynamic and adverse political landscape in Ukraine, which may or may not be exacerbated by the war and/or the current circumstances facing Mr Zhevago (see Ukraine country risk on pages 32 and 33). As a result, the Group is exposed to a number of risk areas that are heightened compared to those expected in a stable economy, such as an environment of political, fiscal and legal uncertainties, which require a significant number of critical judgements to be made by the management team, mainly in respect of the contested sureties claim, for which the provision recorded as at the end of the financial year ended 31 December 2023 still exists as at 31 December 2025, and the other matters listed under critical judgements below.

CRITICAL JUDGEMENTS FOR ONGOING LEGAL PROCEEDINGS AND DISPUTES WITH CORRESPONDING PROVISIONS

Contested sureties claim

On 7 December 2022, Ferrexpo Poltava Mining ("FPM") received a claim in the amount of UAH4,727 million (31 December 2025: US$111,517 thousand; 31 December 2024: US$112,443 thousand) in respect of contested sureties.

The claimant alleges that it acquired rights under certain loan agreements originally concluded between Bank F&C and various borrowers by entering into an assignment agreement with the State Guarantee Fund in November 2020. The claimant further claims that FPM provided sureties to Bank F&C to secure performance under these loan agreements.

A court of first instance in Ukraine made an award in favour of the claimant on 9 August 2023, which was upheld by the court of appeal on 26 January 2024. On 1 April 2024, the Supreme Court suspended the possible enforcement of the decision of the court of appeal against FPM.

As at the date of the approval of these consolidated financial statements, the case is under review by the Supreme Court of Ukraine. Whilst several hearings have already been held, no substantive decision on the merits of the case has yet been made by the Supreme Court. On 1 May 2026, the court expanded the panel to 17 judges. The next hearing is scheduled for 12 October 2026.

Notwithstanding the two negative court decisions of the lower courts, based on independent legal advice obtained management remains of the view that the claim is without merit and FPM has compelling arguments to continue to defend its position before the Supreme Court.

However, considering the magnitude of this claim and the risks associated with the judicial system in Ukraine as further described above, a full provision in the amount of UAH4,727 million (US$111,517 thousand as at 31 December 2025), which was recorded as at the end of the financial year ended 31 December 2023, remained as at 31 December 2025.

Notwithstanding that the underlying contested securities claim remains under review by the Supreme Court of Ukraine and the Supreme Court has suspended enforcement action against FPM pending the Supreme Court's decision, on 24 February 2026, a local court in Ukraine opened bankruptcy proceedings against FPM. For further details, see details below under Bankruptcy proceedings against Ferrexpo Poltava Mining ("FPM").

If the final ruling of the Supreme Court is against FPM, this would mean that FPM's bankruptcy process will continue, which could have a material negative impact on the Group's business activities and its ability to continue as a going concern. For further implications, see below under Bankruptcy proceedings against Ferrexpo Poltava Mining ("FPM").

If the FPM bankruptcy is cancelled but the Supreme Court later rules against FPM, the claimant will have two options: (i) to initiate bankruptcy of FPM once again or (ii) commence enforcement procedures through the involvement of bailiff. The commencement of enforcement procedures through the involvement of bailiff in such potential scenario in the future could have a material negative impact on the Group's business activities and its ability to continue as a going concern, as the assets of FPM could be seized or subject to a forced sale. The potential seizure or forced sale of FPM's assets, including moveable, immovable and financial assets, may have a material adverse impact on the Group's cash flow generation, profitability and available cash balance in future periods.

As at the date of the approval of these consolidated financial statements, it is not reasonably possible to assess the implications of a potential seizure or forced sale of assets on the Group's business activities, as the timing, scope and impact are unknown and outside of the Group's control. However, the Group has prepared a number of mitigating actions and responses within its control in order to seek to ensure continuation of production and generation of revenue streams. Beyond that, in case of an enforcement, FPM will challenge orders and enforcement actions in the court where possible, in order to seek to allow the Group to continue to trade and generate resources to meet its other liabilities as they fall due. See Note 2 Basis of preparation, Note 10 Property, plant and equipment and Note 11 Inventories for further information.

CRITICAL JUDGEMENTS FOR ONGOING LEGAL PROCEEDINGS AND DISPUTES WITHOUT CORRESPONDING PROVISIONS

Bankruptcy proceedings against Ferrexpo Poltava Mining ("FPM")

In connection with the ongoing legal dispute over the contested sureties, as disclosed above, in May 2025 the counterparty filed an application with the Commercial Court of Poltava Region to initiate bankruptcy proceedings against FPM. The court accepted this application and bankruptcy proceedings were opened on 24 February 2026.

As part of this ruling, the court has also appointed an insolvency manager over FPM. The existing FPM management team remains in place and continues to operate the business. This decision was made notwithstanding that the underlying legal dispute over the contested sureties between FPM and LLC "Maxi Capital Group" is still under review by the Supreme Court of Ukraine and the Supreme Court of Ukraine's order on 1 April 2024 to suspend enforcement in the contested sureties claim.

FPM filed an appeal against the decision to open bankruptcy proceedings. The first appeal hearing was heard on 9 April 2026, and the next hearing took place on 30 April 2026, when the panel of three judges declared a formal recusal from the case and a new panel of judges has been appointed. There were further hearings on 2 June 2026 and 27 July 2026. On 18 August 2026, the appeal court in Kharkiv dismissed FPM's appeal against the ruling of the Commercial Court of Poltava Region dated 24 February 2026, which opened bankruptcy proceedings against FPM. On 21 August 2026, FPM filed a cassation appeal to the Supreme Court of Ukraine. However, the filing of an appeal, including a cassation appeal, does not suspend the ongoing bankruptcy proceedings.

Following the opening of bankruptcy proceedings against FPM, an insolvency manager has started to compile a list of creditor claims in accordance with Ukrainian regulations. Although the existing FPM management team currently remains in place and continue to operate the business, there are: (i) certain actions which the FPM management team's governing bodies cannot take without the consent of the insolvency manager (such as the receipt or granting of loans and the leasing of property); (ii) certain further actions which FPM's governing bodies are not authorised to take without the consent of the creditors' committee or the creditors' meeting, if the committee is not yet formed (such as entering into significant transactions where the market value amounts to 10 percent or more of the value of FPM's assets or disposal of FPM's material assets); and (iii) certain further actions which are FPM's governing bodies are not authorised to take at all during the property administration stage of the insolvency process (including the granting of loans, providing sureties or guarantees, disposal or granting of new encumbrances over real property and the payment of dividends). There also remains a risk that the court may, on its own initiative or upon motion of the parties, seek to terminate the powers of FPM's executive body and transfer the executive body's functions to the insolvency manager, which would result in the Company's loss of control of FPM. Loss of control of FPM would result in the Group being unable to manage its operations, receive cashflows from operations or prevent the distribution of assets to creditors of FPM.

The initial stage of bankruptcy proceedings is the stage of the debtor's property management. The court introduces it for up to 170 calendar days, but the court can further extend it. On 11 August 2026, the insolvency manager filed a motion with the Commercial Court of Poltava Region to extend the term of the property administration procedure. The property management procedure is intended to ensure supervision over the management and disposal of FPM's assets, with a view to their preservation and efficient use, to facilitate the assessment of FPM's financial position, and to determine the appropriate subsequent stage of the bankruptcy proceedings (rehabilitation or liquidation). Within the property management procedure framework, the insolvency manager is not selling the debtor's property to satisfy creditors' claims. Such an obligation arises for the insolvency manager at the next stages of bankruptcy proceedings - rehabilitation or liquidation, which are introduced by a court order at the final meeting of the property management procedure. Should the bankruptcy proceedings progress and FPM's appeal is not successful or heard in a timely manner, or if further adverse rulings are made notwithstanding FPM's on-going appeals, this could result in FPM entering into rehabilitation or liquidation stage resulting in a material negative effect on the Group's business, financial condition, results of operations and prospects. In particular, such risks may affect the Group's ability to continue as a going concern and its long-term viability.

In the meantime, it is currently not possible to assess the potential impact of ongoing bankruptcy proceedings and their timing, as these depend on further court proceedings, which may extend over a considerable period of time.

Legal proceedings relating to Bank F&C

Shares freeze in relation to claim from the Ukrainian Deposit Guarantee Fund ("DGF")

On 3 March 2023, a court of first instance in Ukraine, while hearing the dispute between the DGF and Mr Zhevago in relation to the liquidation of Bank F&C in 2015 ("the main dispute"), ordered the arrest (freeze) of 50.3% of the shareholding of Ferrexpo AG ("FAG") in each of Ferrexpo Poltava Mining ("FPM"), Ferrexpo Yeristovo Mining ("FYM") and Ferrexpo Belanovo Mining ("FBM"). In addition to the restriction covering 50.3% of FAG's shareholding in each of FPM, FYM and FBM, the court order also contains a prohibition on 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 mining or other operations because of this court order.

The Group's subsidiaries affected by this court order, including FAG, have filed appeals to remove the restrictions. The court of appeal dismissed the appeals and the decision of the court of appeal was upheld by the Supreme Court of Ukraine on 10 January 2024. Therefore, the restrictions remain effective.

On 31 July 2024, a court of first instance agreed to commence economic examination to be performed by an independent expert institution to assess the amount of damages of Bank F&C in the main dispute. The proceedings in the main dispute are suspended, until an expert opinion is received.

Based on advice from Ukrainian legal counsel, management considers that the court order dated 3 March 2023 to arrest (freeze) 50.3% of FAG's shareholding in each of FPM, FYM and FBM contravened Ukrainian law because the restricted 50.3% of corporate rights in the three Ukrainian subsidiaries are the property of FAG and not of any other person as a matter of Ukrainian law.

Shares freeze in relation to claim from the National Bank of Ukraine ("NBU")

In addition to the case initiated by the Ukrainian Deposit Guarantee Fund ("DGF") as described above, there is a commercial litigation in Ukraine between the NBU and Mr Zhevago in relation to a personal surety (guarantee) given by Mr Zhevago for a loan provided by the NBU to Bank F&C prior to Bank F&C's insolvency.

This claim reached a final decision of the Ukrainian courts in 2020, however the judgement debt was not satisfied by Mr Zhevago and the state bailiff imposed an arrest ("freeze") on the part of the corporate rights in the amount of 50.3% of the issued share capital of Ferrexpo Yeristovo Mining (FYM) and Ferrexpo Belanovo Mining (FBM) and two arrests ("freeze") of 49.3% of shares in Ferrexpo Poltava Mining (FPM).

The court of first instance was considering FAG's claim to cancel the arrest (freezing) order of the state bailiff in relation to 50.3% of the issued share capital of FYM and of FBM. After several hearings in 2025, the judge closed the proceedings during a hearing on 28 May 2025, effectively refusing FAG's claim to cancel the arrest (freezing) order. On 20 June 2025, FAG filed an appeal, which was rejected on 1 October 2025 by the court of appeal. On 29 October 2025, FAG filed a cassation appeal to the Supreme Court of Ukraine. The case is pending before the Supreme Court of Ukraine.

Another case to challenge two arrests ("freeze") of 49.3% of shares in FPM remains on-going and the next hearing by the Pecherskyi District Court of Kyiv is scheduled for 7 September 2026.

If the above enforcement processes are not interrupted, this could ultimately lead to a potential sale of shares representing 50.3% of the issued shares in each of FYM and FBM and 49.3% of the issued shares in FPM, notwithstanding that they are assets of the Group and not Mr Zhevago personally.

Shares freeze in relation to investigation in connection with Bank F&C

As disclosed in details in the 2024 consolidated financial statements, on 25 March 2024, the Group became aware of a court order dated 18 January 2024 regarding further restrictions on certain corporate rights concerning all of the Group's Ukrainian subsidiaries. According to the January 2024 court order these restrictions were imposed in September 2023 on 49.5% of the shares in all of the Group's Ukrainian subsidiaries, except for Nova Logistics LLC and TIS-Ruda LLC, an associated company of the Group, where the relevant percentages restricted are 25.2% and 24.7%, respectively. The Group understands the restrictions have been imposed in connection with ongoing investigations relating to Bank F&C.

The restrictions do not affect ownership of the relevant shares, but prohibit their transfer and restrict the right to exercise corporate rights otherwise attaching to such shares, including the right to vote. On 21 May 2024, FAG filed an appeal against the court order. On 30 January 2025, the court of appeal rejected FAG's appeal.

On 4 March 2025, the State Bureau of Investigation in Ukraine ("SBI") made a media statement that the Pecherskyi District Court of Kyiv has granted a request of the Prosecutor General's Office of Ukraine to transfer 49.5% of the corporate rights in Ferrexpo Poltava Mining ("FPM") held by Ferrexpo AG ("FAG") to

Ukraine's Asset Recovery and Management Agency ("ARMA"). The statement also makes reference to the transfer to ARMA of corporate rights in a further 15 undisclosed legal entities.

The SBI statement notes that the transfer of the corporate rights in FPM is in connection with on-going legal cases in Ukraine relating to the alleged embezzlement of funds from Bank F&C, a Ukrainian bank previously owned by Mr Zhevago which was declared insolvent in 2015. Bank F&C has never been part of the Ferrexpo Group.

On 30 April 2025, ARMA announced the commencement of market consultations for the appointment of asset managers in respect of corporate rights and assets potentially to be transferred to ARMA. On 9 October 2025, ARMA announced the start of market consultations concerning the arrested 49.5% of corporate rights in FPM.

As at the date of the approval of these consolidated financial statements, no member of the Ferrexpo Group has received any official documents or requests from the Ukrainian authorities with regard to the decision of the Pecherskyi District Court of Kyiv and has not seen a copy of the court decision. The details of the court decision are therefore unclear at this stage.

Based on independent legal advice from Ukrainian counsel, management understands that FAG remains the 100% owner of FPM. Further to that, ARMA may enter into an agreement with a third party manager who might manage 49.5% of the corporate rights in FPM, but according to the current Ukrainian legislation such manager will need to obtain consent from FAG for any corporate actions. Based on the Law on ARMA, the manager is obliged to coordinate the exercise of assumed powers at the shareholders meeting with the owner of the shares unless an exception applies. This rule means that the manager cannot vote at the shareholders meeting on its own, but only with the consent of the owner, FAG.

Share freeze in relation to undisclosed investigation

During a routine verification of data on the Group's Ukrainian subsidiaries in the Ukrainian Companies Register carried out on 4 February 2026, it was discovered that the High Anti-Corruption Court of Ukraine ordered the arrest (freeze) of corporate rights in all of the Group's Ukrainian subsidiaries, except for LLC TIS-Ruda, in a criminal proceeding to which none of the Group companies are parties.

The court order was not published in the Ukrainian State Register of Court Decisions to preserve the confidentiality of the pre-trial investigation, and none of the Group companies received any order in connection with this arrest (freeze) of corporate rights. Details of the criminal case, including the percentage of corporate rights subject to the arrest (freeze), are therefore unavailable at this stage.

However, under Ukrainian law arrest (freezing) orders do not affect ownership of the relevant shares but typically prohibit their transfer and in addition may restrict the right to exercise corporate rights such as voting rights and the right to receive dividends.

Second share freeze in relation to another investigation in connection with Bank F&C

During a routine verification of data on the Group's Ukrainian subsidiaries in the Ukrainian Companies Register carried out in March 2026, it was discovered that the Pecherskyi District Court of Kyiv issued a new arrest (freeze) of corporate rights in the Group's Ukrainian subsidiaries in connection with the Bank F&C investigation on 23 December 2025.

This arrest applies to 49.5% of the corporate rights in the Group's Ukrainian subsidiaries. It relies on the mechanism of "Special Confiscation", a process under Ukrainian law which allows the State to seize assets directly linked to a criminal offence, including where the property is obtained as a result of the commission of the offence or income derived therefrom, property used as a tool or instrument of the offence, or property intended for financing the offence or as a reward for its commission. Special confiscation can extend to property owned by third parties, provided the owner knew or ought to have known of its origin or intended use in connection with the offence.

Execution of "Special Confiscation" requires a final court decision in the criminal proceedings but is not confined to a guilty verdict. Special confiscation may be ordered following a guilty verdict of the court; a court ruling closing the criminal proceedings on non-exonerating grounds, including release from criminal liability; or a ruling imposing criminal-law measures upon a legal entity. In each case this ruling can only occur after examination of the merits of the case, which has not yet occurred. The arrest (freeze) does not immediately affect ownership rights but may restrict voting rights, dividend rights and the ability to transfer shares. FAG has filed an appeal against the share freeze on 3 April 2026. The first appeal hearing took place on 19 May 2026 and a further hearing scheduled for 18 August 2026 was cancelled and postponed to 16 September 2026.

As at the date of the approval of these consolidated financial statements, the appeal proceedings remain ongoing.

Restrictions imposed by Swiss Office of the Attorney General over Ferrexpo AG ("FAG") shares

On 13 February 2026, the Swiss Office of the Attorney General issued a provisional order to the management bodies of Ferrexpo AG ("FAG") to prohibit FAG from issuing new shares and from consenting to the sale or transfer of existing shares in FAG.

The proceedings are based on a request for legal assistance from the National-Anti-Corruption Bureau of Ukraine ("NABU") to Switzerland made on 4 November 2025. The request for legal assistance states that the proceedings are based on the suspicion that Mr Zhevago, with the assistance of his lawyer, granted an unlawful advantage to the former president of the Supreme Court of Ukraine, in order to influence proceedings in the above-mentioned claim relating to the share sale and purchase agreement for a 40.2% stake in Ferrexpo Poltava Mining.

On 26 February 2026, FAG filed an appeal to the Swiss Federal Criminal Court against the aforementioned restrictions, which remains ongoing.

Currency control measures imposed in Ukraine

With the start of the Russian invasion of Ukraine on 24 February 2022, the Ukrainian government introduced Martial Law affecting, among other things, matters relating to lending agreements, foreign exchange and currency controls and banking activities.

As a result, the National Bank of Ukraine ("NBU") has introduced significant currency and capital control restrictions in Ukraine. These measures are affecting the Group in terms of its cross-border payments, which are restricted and may be made only in exceptional cases. The maximum period for settlement of invoices under export and import contracts was decreased as at 1 April 2022 from what was previously 360 days to 180 days.

Despite the partial relaxation of Ukrainian hryvnia controls in May 2024 around the regulatory framework specific to foreign currency transactions, intercompany settlements and transfers offshore for international Groups, the NBU maintains tight capital controls in Ukraine. These measures put additional pressure on the Group's liquidity management as the Ukrainian subsidiaries are currently not in a position to make significant cash transfers outside of Ukraine. As it is essential to the Group that sufficient liquidity is held outside of Ukraine to ensure that the Group's liabilities can be settled when falling due, intercompany receivable balances due to the Ukrainian subsidiaries have historically only been paid when falling due and after considering the local cash requirements for operating activities and capital expenditure programmes.

The lower operating activities and reduced capital expenditure programmes due to the ongoing war have reduced the local cash requirements and consequently increased the imbalance between payments to be made into Ukraine and local cash requirements. As a result of the imposed currency control measures, the Group has to carefully manage the payments to be made into Ukraine, as the local subsidiaries cannot transfer any surplus funds back to Group entities outside of Ukraine, if required.

Failure to comply with the currency control regulations can result in fines of 0.3% per day calculated on the cumulative overdue receivable balances with the maximum amount limited to the receivable balances. The Group has implemented various measures to mitigate the impact of the currency control regulations and reduce the risk of material fines, but there exists legal uncertainty in the application of the currency control regulations during the application of Martial Law in Ukraine. The currency control regulations may also be subject to change in the future (including with retrospective effect). Therefore, there is a risk that the Group may become subject to challenges from regulatory authorities in connection with the application of the regulations.

In July 2026, the State Tax Service of Ukraine ("STS") completed an unscheduled documentary in-house review of Ferrexpo Poltava Mining ("FPM") in relation to compliance with currency control regulations concerning settlement deadlines under eleven import contracts and ten export contracts, primarily for the period between 1 July 2021 and 31 December 2025. Following the completion of this internal review, the STS issued its report on 14 July 2026, assessing penalties of approximately UAH35.3 billion (approximately US$787 million as at the date of approval of these consolidated financial statements) for potentially alleged breaches of foreign currency settlement deadlines. FPM considers the review to be irregular on the grounds that it was conducted with multiple procedural violations and that the tax authority failed to consider relevant factual circumstances, including arbitration awards under several export contracts. Those awards procedurally preclude the imposition of penalties in respect of those contracts, which account for the majority of the penalties assessed.

FPM filed formal objections to the STS on 4 August 2026 in connection with the report received. On 17 August 2026, the Eastern Interregional Directorate of the STS issued an order providing for a further documentary on-site review of FPM, to commence on 14 September 2026, which is expected to take 15 working days, for the purpose of a comprehensive examination of the circumstances set out in FPM's objections. FPM intends to challenge any potentially resulting tax notices-decisions before the Ukrainian courts. In that event, the assessed liabilities will remain unconfirmed and unenforceable pending a judicial review process and, as a consequence, no provision has been recorded as at 31 December 2025.

Share dispute

As disclosed in the 2024 consolidated financial statements, on 19 April 2023, the Grand Chamber of the Supreme Court ruled in favour of FAG in relation to the old shareholder litigation re-opened in 2020.

In May 2023, the National Anti-Corruption Bureau of Ukraine ("NABU") and the Specialised Anti-Corruption Prosecutor's Office ("SAPO") accused the Head of the Supreme Court of Ukraine of bribery. These allegations made reference to the ruling made by the Supreme Court of Ukraine on 19 April 2023 and Mr Zhevago. Investigations by NABU and SAPO are underway into the conduct of the former Head of the Supreme Court and a lawyer who allegedly acted as the intermediary in the alleged bribery. On 3 August 2023, NABU announced that Mr Zhevago had been issued with a notice of suspicion in NABU's and SAPO's investigation. On 15 October 2025, the Appellate Chamber of the High Anti-Corruption Court granted permission to conduct a special pre-trial investigation.

On 8 June 2026, the High Anti-Corruption Court of Ukraine ("HAAC") approved a plea agreement between SAPO and the former Head of the Supreme Court of Ukraine in connection with these allegations. On 9 June 2026, it was publicly announced that Mr Zhevago had been issued with a summons by NABU to appear on 16 June 2026 to receive the indictment and case materials in connection with these allegations.

A verdict from the HAAC that a judge has received a bribe for the favourable decision in the share dispute case (which verdict remains valid after any potential appeal), may entitle the claimants in the share dispute case to apply to the Supreme Court of Ukraine to review the ruling made by the Supreme Court of Ukraine on 19 April 2023. According to records at UK Companies House, all four claimants are currently subject to liquidation or dissolution proceedings.

If the share dispute case were to be reviewed by the Grand Chamber of the Supreme Court of Ukraine once again, based on advice from Ukrainian legal counsel, management remains of the view that FAG has compelling legal arguments to defend its position. However, more general concerns surrounding the independence of the judicial system and its immunity from economic and political influences in Ukraine means there remains a residual risk of a negative outcome.

A hypothetical reversal of the 19 April 2023 decision by the Grand Chamber of the Supreme Court would result in the loss of a significant proportion of the shareholding in the Group's main operating subsidiary in Ukraine, which holds approximately 65% of the Group's non-current operating assets, and would have a material adverse impact on the shareholders' equity attributable to the shareholders of Ferrexpo plc. Due to the various uncertainties, it is currently not possible to reliably estimate the financial impact, but it could be material. A negative decision could also have an impact on potential future dividends from FPM to FAG and, as result, on the distributable reserves of Ferrexpo plc.

See Note 9 Earnings per share and dividends paid and proposed for further details.

No non-controlling interest has been recognised as at 31 December 2025 in respect of this dispute because FPM remains wholly owned by FAG as at the date of the approval of these consolidated financial statements. It is management's view that a hypothetical reversal of the decision by the Grand Chamber of the Supreme Court will not cast significant doubt on the Group's ability to continue as a going concern. However, such a decision might complicate the daily business of the Group's major subsidiary in Ukraine.

OTHER ONGOING LEGAL PROCEEDINGS AND DISPUTES WITH CORRESPONDING PROVISIONS

Challenge of squeeze-out of minority shareholders

Following the completion of squeeze-out procedures in 2019 in respect of Ferrexpo Poltava Mining ("FPM"), two former minority shareholders challenged the valuation of the shares of FPM. This valuation formed the basis for a mandatory buy-out of minority shareholders according to Ukrainian law.

On 19 September 2023, a court of first instance ruled in favour of the two former minority shareholders and decided that FPM should pay UAH136 million (31 December 2025: US$3,208 thousand; 31 December 2024: US$3,235 thousand) in aggregate to the claimants. The court of appeal upheld this decision. Following an appeal by FPM, on 3 June 2024, the Supreme Court cancelled both decisions and referred the case back to a court of first instance for a new hearing.

The case was heard again by the Commercial Court of Poltava Region, which ruled on 10 April 2025 that an amount of UAH136 million should be paid to the two former minority shareholders. On 4 September 2025, a court of appeal rejected an appeal filed by FPM. In September 2025, FPM filed a cassation appeal to the Supreme Court. On 6 October 2025, the Commercial Court of Poltava Region issued orders to enforce its decision. On 7 October 2025, a private bailiff in Ukraine - acting upon the application of one of the two former FPM minority shareholders - opened enforcement proceedings and froze property of FPM to recover funds from FPM in the amount of UAH84 million. Subsequently, on 8 October 2025, the private bailiff was able to freeze bank accounts of FPM in an attempt to recover the funds. On 28 October 2025, the Supreme Court decided to open cassation appeal proceedings, scheduled the court hearing for 19 November 2025 and suspended the enforcement of the previous decisions. On 17 December 2025, the Supreme Court issued a ruling granting the cassation appeal of FPM and decided to return the case to a court of first instance for a new consideration. As a result of the Supreme Court decision, the enforcement proceedings were closed and the freezing of FPM bank accounts by the private bailiff was cancelled.

On 26 March 2026 the materials of the case were transferred for consideration in bankruptcy proceedings against FPM.

In accordance with the requirements of IAS 37 Provisions, contingent liabilities and contingent assets, the Group recorded a full provision for the claimed compensation as at the end of the financial year ended 31 December 2023. No additional provision has been recorded as at 31 December 2025.

Second compensation claim for the squeeze-out of minority shareholders of FPM

On 28 August 2025, the Commercial Court of Poltava Region received a statement of claim from nine claimants seeking compensation for shares of FPM acquired in the squeeze-out procedure in the total amount of approximately UAH58 million (approximately US$1,290 thousand).

On 14 October 2025, the court suspended proceedings in this case pending the final decision by the Supreme Court of Ukraine in challenge of squeeze-out of minority shareholders case described above.

OTHER ONGOING LEGAL PROCEEDINGS AND DISPUTES WITHOUT CORRESPONDING PROVISIONS

Royalty-related investigation and claim

On 8 February 2022, FPM received a tax audit report from the State Tax Service of Ukraine, which alleged the underpayment of iron ore royalty payments during the period April 2017 to June 2021 in the amount of approximately UAH1,042 million (US$24,582 thousand as at 31 December 2025), excluding fines and penalties. On 11 August 2023, FPM received a tax notification decision, which alleged the underpayment of royalty payments in the amount of UAH1,233 million (US$29,088 thousand as at 31 December 2025), which is higher than the amount initially stated in the tax audit report due to imposed fines. In November 2023, FPM filed a lawsuit to challenge the Ukrainian tax authorities' decision. On 15 April 2024, the court suspended the proceedings until the review of another case concerning the challenge of an individual tax consultation issued by the tax authority to FPM in another matter which is connected with royalty proceedings. The tax authority filed an appeal regarding the suspension of the case. As at the date of the approval of these consolidated financial statements, the court of appeal has not scheduled a hearing date for this appeal.

The Bureau of Economic Security of Ukraine started a royalty-related investigation and on 16 November 2022 conducted searches at FPM and FYM. On 3 February 2023, a notice of suspicion was delivered to a senior manager of FPM. Bail of UAH20 million (US$547 thousand as at date of the payment) was approved by the court on 9 February 2023. Although the Group had no obligation to do so the bail amount was subsequently paid by the Group.

On 6 February 2023, the court arrested (froze) the bank accounts of FPM and FPM's appeal to cancel the arrest (freezing) of the bank accounts was not granted.

On 31 October 2023, a notice of suspicion was delivered to another senior manager of FPM. On 13 November 2023, a court of first instance approved the bail in the amount of approximately UAH800 million (US$21,993 thousand as at that date) which was reduced by the court of appeal to UAH650 million (US$15,335 thousand as at 31 December 2025). Although the Group had no obligation to do so, the Group subsequently made a partial payment of the bail in the amount of UAH50 million (US$1,259 thousand as at date of the payment) and the case was transferred to a local court.

On 26 November 2024, the court cancelled the arrest of FPM's bank accounts at one of its Ukrainian banks. Several court hearings took place in 2025. On 13 August 2025, this royalty case was merged with the criminal transfer pricing case. On 13 March 2026, the court cancelled the bail in the amount of UAH5 million (approximately US$113 thousand as at this date), which was returned to the Group's subsidiary on 26 March 2026. The next hearing is scheduled for 8 October 2026.

Based on independent legal advice obtained, it is management's view that FPM and FYM have compelling arguments to defend their positions in court and, as a consequence, no associated liabilities have been recognised by the Company in relation to the royalty claims in the consolidated statement of financial position as at 31 December 2025. However, as with other ongoing legal proceedings, there is a risk of a negative outcome.

Investigations on use of waste product and asset freeze

On 10 January 2023, the State Bureau of Investigations ("SBI") in Ukraine conducted several searches in respect of investigations into alleged illegal extraction of minerals ("rubble"). The National Police of Ukraine also carried out investigations in respect of the same matter and searched and collected samples of the rubble on 17 January 2023 at FPM.

The SBI and the National Police allege that from 2015 to 2021, FPM mined minerals of national importance, consisting of rock that lies above the iron ore (overburden), which it is alleged would require an additional extraction license. FPM's position is that the materials in question are waste products from iron ore processing, not separate mineral resources and, as such, no additional extraction licence is required. FPM also maintains that it has complied with applicable mining legislation. Sales of the rubble were subject to inspection by the State Service for

Geology and Subsoil of Ukraine for many years before the allegations and sales were suspended by the Group in September 2021 at the State Service's request.

On 29 June 2023, the SBI issued notices of suspicion to three senior management representatives and one divisional head of FPM for allegedly selling rubble without a permit. The individuals were detained and released following payments of bail totalling UAH122 million (US$3,336 thousand as at date of the payment). Although the Group had no obligation to do so, the bail amount was subsequently paid by the Group. On 22 September 2023, the National Police of Ukraine searched the private residence of a senior manager of FPM, issued a further notice of suspicion, and detained the individual, who was released upon payment of bail of UAH400 million (US$11,063 thousand as at date of the payment) after spending 38 days in detention. Although the Group had no obligation to do so, the bail amount was subsequently paid by the Group.

In the pre-trial investigation, a court of first instance issued an order to freeze FPM's rail wagons and railway access tracks. On 9 October 2023, certain real estate assets and transport vehicles of FPM were also frozen, however, this does not restrict their operational use. FPM appealed and sought further clarity from the court on the scope of the restrictions in relation to rail wagons, and on 30 October 2023, the court of appeal upheld the asset freeze but did not clarify the scope. On 22 April 2024, a court of first instance lifted the prohibition to use of rail wagons and access of the railway tracks, permitting FPM to use all rail wagons and access tracks. Currently, the freeze of FPM's rail wagons and railway access tracks does not restrict their operational use.

In the same pre-trial investigation, some of the real estate assets and transport vehicles of FPM were also arrested, but this arrest does not restrict the use of these assets in FPM's operations. On 5 March 2024, FPM's bank accounts were frozen (with exceptions) except for essential payments, and FPM's subsequent appeal against this bank account freeze was rejected. On 29 April 2024, a court restricted the sale of FPM's mining license, and FPM's subsequent appeal was rejected. The restriction on the sale of FPM's mining license does not affect mining operations. The freeze of the bank accounts does not affect mining operations because FPM has opened other operational bank accounts since the freeze. As at the date of approval of these consolidated financial statements, FPM has no intention of selling its mining licence.

First criminal case initiated by the SBI

On 19 December 2024, the criminal case involving allegations of rubble mining and sale initiated by the SBI was transferred by the Supreme Court of Ukraine to a local court in Horishni Plavni. At a preparatory hearing on 5 March 2025, a judge refused to decrease the bail for FPM's Head of the Management Board. In June 2025, a judge considered whether to merge this case with the royalty case and decided against the merger. At a court hearing on 8 April 2026 FPM received information that the State Service of Geology and Subsoil of Ukraine filed a civil claim seeking joint liability of FPM, its Head of the Management Board and other individuals for damages amounting to UAH79 million (approximately US$1,864 thousand). On 7 May 2026, the civil proceedings brought by the State Service for Geology and Mineral Resources of Ukraine were suspended pending the rectification of the deficiencies. The next hearing is scheduled for 15 September 2026.

Second criminal case initiated by the National Police

On 15 January 2025, the Office of the Prosecutor General announced that the National Police had completed the pre-trial investigation in the second criminal matter involving allegations of rubble mining and sale and the case was sent to a court of first instance. On 4 February 2025, FPM received notice of a civil claim seeking joint liability of FPM and its Head of the Management Board for UAH157 billion (approximately US$3.7 billion as at 31 December 2025) in favour of the Ukrainian state. The claim alleges illegal sale of waste products and, more recently, illegal mining and sale of subsoil, resulting in environmental damage. FPM rejects these allegations on the basis it has complied with the requirements of its mining license.

During a hearing on 5 March 2025, the arrest (freezing) of FPM bank accounts at one of its Ukrainian banks was cancelled. On 16 June 2025, there was a hearing to consider whether to merge this rubble case with the royalty case and the court decided against the merger. The case was transferred to a new judge to consider from the beginning. By a court ruling dated 7 May 2026 the court partially satisfied FPM's motion. The arrest was partially lifted and FPM was allowed to register ownership and proceed with the permitting documentation on commissioning and certification of the press filtration complex. However, the prohibition on the disposal or sale of the complex remains in effect. On 31 August 2026, the court lifted the prohibition against amending FPM's mining license. The next hearing is scheduled for 12 October 2026.. Based on independent legal advice from Ukrainian counsel, management understands that proceedings may last several years.

As at the date of approval of these consolidated financial statements, neither the criminal nor civil claims constitute a legal obligation under Ukrainian law. Further, even if a court in Ukraine were to conclude that FPM has caused a damage to the environment, the quantum of this claim, which is wholly disproportionate, has not been explained. In the circumstances, it is management's position that no reliable estimate of the potential future outflow or merits can be made as at the date of approval of these consolidated financial statements. As a consequence, no provision was recorded as at 31 December 2025 (2024: no provision recorded) in accordance with IAS 37 Provisions, contingent liabilities and contingent assets. See Note 2 Basis of preparation for potential impacts on the Group's ability to continue as a going concern.

Ecological claims
As described in detail in the 2023 Annual Report and Accounts, the State Ecological Inspection carried out an inspection of Ferrexpo Yeristovo Mining ("FYM") in September 2021 and, on 1 October 2021 issued an order to remedy a number of alleged violations of environmental rules. After the court of first instance ruled in favour of FYM on 19 July 2022, the State Ecological Inspection filed an appeal. The court of appeal returned the appeal claim to the State Ecological Inspection.

There had been no actions in respect of this dispute until 5 October 2023, when the National Police of Ukraine conducted a review of FYM's land plots. There have been no further developments since then and it is not possible at present to anticipate future developments in this case.

Based on independent legal advice obtained, it is management's view that FYM has strong arguments to defend its position in the court, and, as a consequence, no associated liabilities have been recognised in the consolidated statements of financial position as at 31 December 2025 and 2024 in relation to these matters.

Cancellation of licence for Galeschynske deposit
On 24 June 2021, an Order of the President of Ukraine was published on the official website of the President (the "Order"), which enacted the Decision of the National Security and Defence Council of Ukraine on the application of personal special economic and other restrictive measures and sanctions (the "Decision"). Ferrexpo Belanovo Mining ("FBM") is included in the list of legal entities which are subject to sanctions pursuant to the Decision. The Order and the Decision do not provide any legal ground for the application of sanctions. The sanction imposed on FBM is the cancellation of the mining licence for the Galeschynske deposit, which is one of two licences held by FBM.

On 15 November 2021, FBM filed a lawsuit with the Supreme Court of Ukraine partially to annul the Order. On 28 January 2025, the Grand Chamber of the Supreme Court made a final decision to reject FBM's claim and FBM filed a claim to the European Court of Human Rights in May 2025.

The Galeschynske deposit is a project in the exploration phase that is situated to the north of the Group's active mining operations. Following the cancellation of this licence, all capitalised costs associated with this licence totalling approximately US$3,439 thousand, were written off in the financial year ended 31 December 2021.

In parallel, following the termination of the Galeschynske subsoil-use permit by the State Service of Geology and Subsoil of Ukraine on 5 July 2021, on 16 November 2021, FBM filed a claim challenging the termination. FBM filed an appeal against this rejection on 1 December 2025 which was declined by the court of appeal on 11 May 2026 and FBM filed a cassation appeal. On 15 June 2026, the Supreme Court of Ukraine opened cassation proceedings and the date of the next hearing is currently unknown.

Announcement of the State Bureau of Investigation in Ukraine ("SBI") regarding a potential claim to nationalise 49.5% of shares in FPM

On 20 February 2025, the SBI made a media announcement regarding a potential claim to the High Anti-Corruption Court of Ukraine ("HACC") to nationalise 49.5% of shares in Ferrexpo Poltava Mining ("FPM") and certain of its assets. As at the date of approval of these financial statements, FPM has not received a formal notification of such a claim. Further to that, under Ukrainian laws, the SBI has no authority to petition, bring claims or make proposals (both on nationalisation or application of any asset-confiscation sanction) to the HACC and the proper authority should be the Ministry of Justice of Ukraine.

Litigations regarding suspension of VAT refunds

Following the personal sanctions imposed by Ukrainian authorities on Mr Zhevago on 12 February 2025, the Group's subsidiaries in Ukraine have not been receiving VAT refunds since March 2025.

From March 2025, Ferrexpo Poltava Mining ("FPM") and Ferrexpo Yeristovo Mining ("FYM") started to receive on a monthly basis notifications from the State Tax Service of Ukraine ("STS") of a decision to suspend the VAT refunds for each month, when VAT was claimed for refund.

FPM filed claims against the STS in 2025 and 2026 in relation to the suspended VAT refunds for the months of January 2025 to December 2025 (inclusive) and February 2026. FYM filed claims against the STS in 2025 and 2026 in relation to the suspended VAT refunds for January, February, March, April, May, July and November 2025.

On 11 February 2026, FPM received its first favourable decision from the Supreme Court of Ukraine in relation to the VAT refund for the month of February 2025 for UAH230 million (approximately US$5,426 thousand as at 31 December 2025). However, no VAT amount has yet been refunded to FPM. FPM has filed a claim seeking recovery of this VAT amount. On 28 July 2026 the court of first instance satisfied FPM's claim to recover this VAT amount from the State Treasury Service of Ukraine. The State Treasury Service of Ukraine may file an appeal.

In FPM and FYM litigations in relation to VAT refunds for other months, the courts of first instance, with the exception of one unfavourable decision, and in certain cases the courts of appeal made favourable decisions; however, these matters have not yet been subject to review by the Supreme Court of Ukraine.

On 22 May 2026, the decisions of the court of first instance to satisfy FPM's claim in relation to the VAT refund for January 2025, and FYM's claim in relation to the VAT refund for February 2025, were cancelled on appeal from the tax authority. On 3 June 2026, the decision of the court of first instance to partially satisfy FPM's claim in relation to the VAT refund for April 2025 was cancelled on appeal from the tax authority. On 14 July 2026, the decisions of the court of first instance to satisfy FYM's claim in relation to the VAT refund for March 2025 and May 2025 were cancelled on appeals from the tax authority. On 11 August 2026, the court of first instance denied FYM's claim in relation to the VAT refund for July 2025. See Note 12 Other taxes recoverable and payable with regard to the critical estimates made by management in respect of the recoverability of the outstanding and overdue VAT balances in Ukraine.

The Group is continuing to progress various claims in the Ukrainian courts relating to VAT refunds for FPM and FYM.

The suspension of VAT refunds has had and continues to have a material impact on the Group's cash flow and liquidity and may affect its ability to continue as a going concern.

Despite some positive court rulings, no VAT has been refunded yet by the STS. It is reasonably expected that VAT refunds could potentially resume only following the lifting of personal sanctions imposed on Mr Zhevago or when Ukrainian authorities comply with final favourable court decisions or if the Tax Code is amended to remove such restriction.

As disclosed in Note 17 Events after the reporting period, the Group's subsidiaries received in May, June and July 2026 five negative decisions from the court of appeal in respect of five monthly VAT refund claims, for which the refunds of individual monthly claims made in the past were refused by the tax authorities. These negative decisions received in 2026 relate to legal proceedings that commenced in 2025 and are therefore treated as adjusting events after the reporting period when preparing these consolidated financial statements for the year ended 31 December 2025. See Note 12 Other taxes recoverable and payable for further details.

As at 31 December 2025, VAT refunds in the aggregate amount of UAH2,599 million (US$61,315 thousand at this date) were suspended by the STS. The absence of VAT refunds does have a material impact on the Group's cash flow generation and available cash balance and, as a consequence, on the Group's ability to continue as a going concern. See Note 2 Basis of preparation for further details.

TAXATION

Tax legislation
As disclosed in Note 8 Taxation, following the completion of tax audits in respect of its cross-border transactions, the Group's major subsidiaries, Ferrexpo Poltava Mining ("FPM") and Ferrexpo Yeristovo Mining ("FYM"), received tax claims in the amount of UAH2,162 million (US$51,005 thousand as at 31 December 2025), including fines and penalties, and UAH259 million (US$6,110 thousand as at 31 December 2025). The Group's subsidiaries filed objections to be considered by the tax authorities, although these were rejected. Subsequently, the Group's subsidiaries filed claims with the courts. In both disputes, the court ordered a judicial economic examination and suspended the proceedings. As at the date of the approval of these consolidated financial statements,

proceedings in the FPM dispute remain suspended, and proceedings in the FYM dispute resumed on 9 June 2026. At a hearing on 8 July 2026, the court of first instance ordered a judicial economic examination and adjourned the proceedings once again. On 24 July 2026, the tax authority filed an appeal against that ruling and a hearing is scheduled for 16 September 2026.

In addition, two criminal cases are ongoing in relation to transfer pricing matters. On 13 August 2025, one of these criminal transfer pricing cases was merged with the royalty-related case. No provisions have been recorded as at 31 December 2025 and 2024, either for the claims received or for any subsequent years. If FPM and FYM are ultimately unsuccessful, the tax claims may be material, although it is not possible at present to reliably quantify the potential exposure. An unfavourable outcome would have an adverse impact on the Group's cash flow generation, profitability and liquidity. See Note 8 Taxation and also the Principal Risks section on pages 32 and 33 in terms of the Ukraine country risk.

NOTE 16: RELATED PARTY DISCLOSURES

During the years presented, the Group entered into arm's length transactions with entities under the common control of Mr Zhevago, with associated companies and with other related parties. Management considers that the Group has appropriate procedures in place to identify, control, properly disclose and obtain independent confirmation, when relevant, for transactions with the related parties.

Entities under common control are those under the control of Mr Zhevago. Associated companies refer to TIS Ruda LLC, in which the Group holds an interest of 49.9% (2024: 49.9%). This is the only associated company of the Group.

As disclosed in Note 17 Events after the reporting period, in connection with the planned fundraise, the Group intends to enter into a loan agreement with its largest shareholder, Fevamotinico S.a.r.l., shortly after the launch of the fundraise. Pursuant to this loan agreement, the largest shareholder will make available an unsecured loan facility in the principal amount of GBP22,500 thousand in order to pre-fund a portion of the amount payable by the shareholder under the Subscription Agreement in place. The loan bears interest determined at an arm's length basis and matures four months after the date of the loan agreement. The principal amount of the loan plus accrued interest is repayable the Group by way of set-off against the amounts owing by the shareholder under the subscription agreement. The terms and conditions of the loan have been reviewed by the Group's sponsor.

During the previous financial year ended 31 December 2024, the Group entered into a settlement agreement with Mr Zhevago relating to amounts potentially owing to Mr Zhevago under his CEO contract. Under this agreement, Mr Zhevago has agreed to fully set-off the cost of the accommodation paid for by the Group on his behalf against the sum potentially owed by the Group to him under the settlement agreement for the CEO contract, without any money being transferred between the parties involved. Further details are provided in Note 34 Related party disclosures included in the Group's 2024 Annual Report and Accounts.

All related party transactions entered into by the Group during the financial years presented and balances outstanding at the end of these financial years are summarised in the following tables, except for those with the Non-executive Directors and Executive Directors of Ferrexpo plc.

REVENUE, EXPENSES, FINANCE INCOME AND EXPENSE

	Year ended 31.12.25			Year ended 31.12.24		
US$000	Entities under common control	Associated companies	Other related parties	Entities under common control	Associated companies	Other related parties
Other sales	253	–	–	302	–	–
Total related party transactions within revenue	253	–	–	302	–	–
Materials and services[a]	7,150	–	–	7,943	–	–
Spare parts and consumables[b]	1,498	–	–	3,151	–	–
Total related party transactions within cost of sales	8,648	–	–	11,094	–	–
Selling and distribution expenses[c]	2,058	5,467	–	5,683	11,950	–
General and administration expenses[d]	96	–	632	121	–	844
Other operating expenses[e]	207	–	–	203	11	–
Finance expense	–	–	–	1	–	–
Total related party transactions within expenses	11,009	5,467	632	17,102	11,961	844
Total related party transactions	11,262	5,467	632	17,404	11,961	844

A description of the most material transactions, which are in aggregate over US$200 thousand in the current or comparative year, is given below.

Entities under common control

The Group entered into various related party transactions with entities under common control. All transactions were carried out on an arm's length basis in the normal course of business.

a Purchases of oxygen, scrap metal and services from Kislorod PCC for US$698 thousand (2024: US$1,048 thousand);
a Purchases of cast iron balls from OJSC Uzhgorodsky Turbogas for US$5,562 thousand (2024: US$5,506 thousand); and
a Purchase of maintenance and construction services from FZ Solutions LLC for US$849 thousand (2024: US$1,257 thousand).
b Purchases of spare parts from CJSC Kyiv Shipbuilding and Ship Repair Plant ("KSRSSZ") in the amount of US$141 thousand (2024: US$210 thousand);
b Purchases of spare parts from OJSC Uzhgorodsky Turbogas in the amount of US$859 thousand (2024: US$1,153 thousand);
b Purchases of spare parts from FZ Solutions LLC of US$30 thousand (2024: US$469 thousand);
b Purchases of spare parts from Kislorod PCC in the amount of US$172 thousand (2024: US$329 thousand); and
b Purchases of spare parts from Valsa GTV of US$289 thousand (2024: US$982 thousand).
c Purchases of advertising, marketing and general public relations services from FC Vorskla of US$2,057 thousand (2024: US$5,681 thousand).
e Purchase of marketing services from TV & Radio Company of US$195 thousand (2024: US$201 thousand).

Associated companies

The Group entered into related party transactions with its associated company, TIS Ruda LLC, which were carried out on an arm's length basis in the normal course of business for the members of the Group.

c Purchases of logistics services in the amount of US$5,467 thousand (2024: US$11,950 thousand) relating to port operations, including port charges, handling costs, agent commissions and storage costs. The scope and the volume of the services procured from TIS Ruda is impacted by the volume of the Group's seaborne sales through the port of Pivdennyi, which depends on the margins to be expected in the various markets.

Other related parties

The Group entered into various transactions with related parties other than those under the control of Mr Zhevago. All transactions were carried out on an arm's length basis in the normal course of business.

d Legal and administrative services in the amount of US$506 thousand (2024: US$657 thousand) provided by Kuoni Attorneys at Law Ltd., which is controlled by a member of the Board of Directors of one of the subsidiaries of the Group. The Directors' fees paid totalled US$100 thousand for the financial year 2025 (2024: US$214 thousand).

PURCHASES OF PROPERTY, PLANT AND EQUIPMENT

The table below details the transactions of a capital nature, which were undertaken between Group companies and entities under common control, associated companies and other related parties during the years presented.

	Year ended 31.12.25			Year ended 31.12.24		
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	13	–	–	3,109	–	–
Total purchases of property, plant and equipment	13	–	–	3,109	–	–

During the comparative year ended 31 December 2024, the Group purchased major spare parts and equipment from FZ Solutions LLC totalling US$3,109 thousand in respect of the continuation of the Wave 1 pellet plant expansion and hydrogen projects. No such purchases were made during the financial year ended 31 December 2025.

The FPM Charity Fund owns 75% of the Sport & Recreation Centre (“SRC”) in Horishni Plavni and made contributions totalling US$99 thousand during the year ended 31 December 2025 (2024: US$100 thousand) for the construction and maintenance of the building, including costs related to electricity, gas and water consumption.

BALANCES WITH RELATED PARTIES

The outstanding balances, as a result of transactions with related parties, for the years presented are shown in the table below:

	Year ended 31.12.25			Year ended 31.12.24		
US$000	Entities under common control	Associated companies	Other related parties	Entities under common control	Associated companies	Other related parties
Other non-current assets[f]	513	–	–	517	–	–
Total non-current assets	513	–	–	517	–	–
Trade and other receivables[g]	23	1,124	–	155	2,416	–
Prepayments and other current assets	23	–	–	93	–	–
Total current assets	46	1,124	–	248	2,416	–
Trade and other payables[h]	1,288	–	–	1,085	–	–
Total current liabilities	1,288	–	–	1,085	–	–

A description of the balances over US$200 thousand in the current or comparative year is given below.

Entities under common control

f Other non-current assets include prepayments for property, plant and equipment totalling US$513 thousand (2024: US$517 thousand) made to FZ Solutions LLC mainly in relation to the Wave 1 expansion project of the processing plant.

h Trade and other payables of US$398 thousand (2024: US$549 thousand) relate to the purchase of spare parts and services from FZ Solutions LLC; and

h Trade and other payables of US$621 thousand (2024: US$316 thousand) relate to the purchase of spare parts from Uzhgorodsky Turbogas, OJSC.

Associated companies

g Trade and other receivables of US$1,124 thousand (2024: US$2,416 thousand) relate to dividends declared by TIS Ruda LLC prior to the beginning of the war in Ukraine. The outstanding balance is net of an allowance of US$1,638 thousand (2024: US$278 thousand).

PAYMENTS ON BEHALF OF A KEY MANAGEMENT MEMBER

As disclosed in Note 15 Commitments, contingencies and legal disputes, the Group is subject to various legal actions and ongoing court proceedings initiated by certain governmental bodies in Ukraine. It is current practice of these governmental bodies to issue notices of suspicion to members of the senior management of the Group’s subsidiaries in Ukraine, requesting significant bail payments.

During the financial year ended 31 December 2025, the Group made additional bail payments totalling UAH5 million (US$120 thousand at the applicable exchange rates) on behalf of one member of the senior management of one of the Group’s subsidiaries in Ukraine, compared to UAH53 million (US$1,325 thousand at the applicable exchange rates) for three members during the comparative year ended 31 December 2024.

Due to their roles as key management members of the Group, the payments made are considered to be related party transactions under the Listing Rules as the payments were made to their benefit. As a result, and as required by the Listing Rules, the Group consulted its sponsor before making any of these payments.

NOTE 17: EVENTS AFTER THE REPORTING PERIOD

On 24 February 2026, the Company announced that a local court in Ukraine opened bankruptcy proceedings against Ferrexpo Poltava Mining ("FPM"). The decision followed the Commercial Court of Poltava Region having accepted for consideration an application from LLC Financial Company Maxi Capital Group ("Maxi Capital") to open bankruptcy proceedings on 14 May 2025. This relates to an on-going legal action in Ukraine between Maxi Capital and FPM relating to contested surety agreements and a claim in the amount of UAH4,727 million (US$111,517 thousand). These bankruptcy proceedings against FPM by a local Ukrainian court and the consequent appointment of an insolvency manager have occurred notwithstanding that the underlying contested securities claim remains under review by the Supreme Court of Ukraine. FPM has appealed against the bankruptcy proceedings. On 9 April 2026, FPM's appeal against the opening of bankruptcy proceedings was adjourned and, following further hearings, the court of appeal in Kharkiv dismissed FPM's appeal on 18 August 2026. On 21 August 2026, FPM filed a cassation appeal to the Supreme Court of Ukraine. See Note 2 Basis of preparation for potential impacts on the Group's ability to continue as a going concern and Note 15 Commitments, contingencies and legal disputes for further information on this legal case.

As announced on 9 March 2026, the banking license of the Group's transactional bank in Switzerland was revoked on 27 February 2026 and the bank has been ordered to liquidate by the Swiss Financial Market Supervisory Authority ("FINMA"). On 11 August 2026, the Group was informed by the bank that its liquidators have approved the payout of the withheld funds to another bank of the Group. See Note 13 Cash and cash equivalents for further details.

As announced on 20 April 2026, the Group has entered into an agreement for the sale of its owned transhipping vessel "Iron Destiny" for a total net cash consideration of US$7,700 thousand and the transaction was completed on 30 April 2026. Throughout the period since the commencement of the war, the Group's ability to utilise the transhipping vessel has been constrained, and it has not been possible to operate the vessel as a transhipping vessel, but ongoing maintenance and sustaining capital expenditure incurred on a monthly basis to keep the vessel in a seaworthy condition. Given the uncertainty relating to the timing of an end to the war and the return of the Group's ability to fully utilise the vessel, the Board has determined that a sale of the "Iron Destiny" would be in the best interests of the Group, in order to both receive an immediate cash injection and minimise the ongoing monthly maintenance and future capital expenditure.

As announced on 22 April 2026, the Board concluded that an equity fundraise of up to US$100,000 thousand is the only viable solution in the timeframe required for the Group to continue as going concern. The intended equity fundraise would allow the Group to meet its ongoing obligations and provide sufficient working capital for the Group's short-term operational requirements while operating at a reduced level for the next 18 months following the approval of these consolidated financial statements. As at the date of the approval of these consolidated financial statements, Ferrexpo plc has received indicative expressions of interests to participate in the intended fundraise from new and existing shareholders in the amount of up to US$100,000 thousand and an irrevocable undertaking from its largest shareholders to vote in favour of the resolutions to be proposed at the shareholders' meeting scheduled for 21 September 2026. However, the fundraise is conditional on all of the resolutions being passed by the shareholders of Ferrexpo plc. If the resolutions are not passed by the shareholders, or if any of the other conditions are not satisfied, the planned fundraise will not proceed, which will have a significant impact on the Group's ability to continue as a going concern, if no alternative funding can be secured within a reasonable amount of time. See Note 2 Basis of preparation for further details. In connection with the planned fundraise, the Group intends to enter into a loan agreement with its largest shareholder, Fevamotinico S.a.r.l., shortly after the launch of the fundraise. Pursuant to this loan agreement, the largest shareholder will make available an unsecured loan facility in the principal amount of GBP22,550 thousand in order to pre-fund a portion of the amount payable by the shareholder under the subscription agreement in place. This loan is expected to be settled through the issuance of new Ordinary Shares in Ferrexpo plc. See Note 16 Related Party Transactions for further information.

On 22 May 2026, 3 June 2026 and 14 July 2026, the court of appeal cancelled the decisions of the court of first instance in respect of five monthly VAT claims made by the Group's two major subsidiaries in Ukraine totalling UAH554 million (US$13,080 thousand as at 31 December 2025). These negative court decisions are treated as adjusting post balance sheet events and, as a result, the Group has recognised allowances for the full amount of the claims asserted, despite resubmission of the monthly claims in subsequent months for the refund in cash. See Note 12 Other taxes recoverable and payable and Note 15 Commitments, contingencies and legal disputes for further information.

On 14 July 2026, the State Tax Service of Ukraine ("STS") issued a report in respect of a completed unscheduled documentary in-house review of Ferrexpo Poltava Mining ("FPM") in relation to compliance currency control regulations imposed under Martial Law in Ukraine, assessing penalties of approximately UAH35.3 billion (approximately US$787 million as at the date of approval of these consolidated financial statements) for potentially alleged breaches of foreign currency settlement deadlines. FPM filed formal objections to the STS in connection with the report received. Depending on the outcome of the review of those objections, FPM intends to challenge any potentially resulting tax notices-decisions before the Ukrainian courts. In that event, the assessed liabilities will remain unconfirmed and unenforceable pending a judicial review process and, as a consequence, no provision has been recorded as at 31 December 2025. See Note 15 Commitments, contingencies and legal disputes for further information.

No other material adjusting or non-adjusting events have occurred subsequent to the period-end other than the events disclosed above.

Alternative Performance Measures

When assessing and discussing the Group's reported financial performance, financial position and cash flows, management may make reference to Alternative Performance Measures ("APMs") that are not defined or specified under International Financial Reporting Standards ("IFRS").

APMs are not uniformly defined by all companies, including those in the Group's industry. Accordingly, the APMs used by the Group may not be comparable with similarly titled measures and disclosures made by other companies. APMs should be considered in addition to, and not as a substitute for or as superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRS.

Ferrexpo makes reference to the following APMs in the 2025 Annual Report and Accounts.

C1 AND C4 CASH COST OF PRODUCTION

Definition: Non-financial measure representing the cash cost of producing iron ore pellets and concentrate from the Group's own ore, calculated as total cash production costs divided by the volume of own iron ore pellets and concentrate produced.

C1 and C4 cash costs exclude non-cash items such as depreciation and inventory movements, as well as costs related to purchased ore and concentrate.

The Group presents C1 and C4 cash cost of production as management believes these measures provide a meaningful indicator of operational efficiency and cost competitiveness when compared with industry peers.

US$000	Notes	**Year ended 31.12.25**	Year ended 31.12.24
C1 cash costs		**245,790**	470,415
Non-C1 cost components		**50,746**	53,015
Inventories recognised as an expense upon sale of goods	5	**296,536**	523,430
Own ore produced (tonnes)		**3,221,461**	6,070,541
C1 cash cost per tonne (US$)		**76.3**	77.5
C4 cash costs		**144,778**	38,731
Non-C4 cost components		**34,157**	4,365
Inventories recognised as an expense upon sale of goods	5	**178,935**	43,096
Own concentrate produced (tonnes)		**2,877,813**	700,520
C4 cash cost per tonne (US$)		**50.3**	55.3

UNDERLYING EBITDA

Definition: The Group calculates the Underlying EBITDA as profit before tax and finance plus depreciation and amortisation, net gains and losses from disposal of investments and property, plant and equipment, effects from share-based payments, write-offs and impairment losses, operating foreign exchange gains/losses and exceptional items. The Underlying EBITDA is presented because it is a useful measure for evaluating the Group's ability to generate cash and its operating performance.

Historically and in agreement with the Group's definition of the Underlying EBITDA at that time, the Group's Underlying EBITDA included operating foreign exchange gains and losses, which could be material depending on the devaluation of the Ukrainian hryvnia compared to the US dollar. During the financial year 2024, the Group amended its definition of the Underlying EBITDA by excluding the operating foreign exchange gains and losses. The vast majority of the Group's operating foreign exchange gains or losses are expected to incur on intercompany trade receivable balance of the Ukrainian subsidiaries, which are denominated in US dollar. For practicability reasons, the entire balance of the operating foreign exchange gains and losses are excluded from the Group's Underlying EBITDA. It is management's view that the amended definition better reflects the Group's ability to generate cash and to evaluate its operating performance.

See Note 3 Segment information to the consolidated financial statements for further details.

Closest equivalent IFRS measure: Profit before tax and finance.

Rationale for adjustment: The Group presents the underlying EBITDA as it is a useful measure for evaluating its ability to generate cash and its operating performance. Also it aids comparability across peer groups as it is a measurement that is often used.

Reconciliation to closest IFRS equivalent:

US$000	Notes	**Year ended 31.12.25**	Year ended 31.12.24
Underlying EBITDA		**27,555**	69,310
Gains/(losses) on disposal and liquidation of property, plant and equipment	5	**572**	(231)
Share-based payments		**(431)**	(320)
Write-offs and impairments	5	**(160,936)**	(71,871)
Allowance on overdue VAT receivable balances	12	**(13,139)**	–
Depreciation and amortisation		**(68,406)**	(60,281)
Operating foreign exchange gains		**4,969**	83,321
(Loss)/profit before tax and finance		**(209,816)**	19,928

NET CASH/(DEBT)

Definition: Cash and cash equivalents net of interest-bearing loans and borrowings.

Closest equivalent IFRS measure: Cash and cash equivalents.

Rationale for adjustment: Net cash/(debt) is a measurement of the strength of the Group's balance sheet. It is presented as it is a useful measure to evaluate the Group's financial liquidity.

Reconciliation to closest IFRS equivalent:

US$000	Notes	**As at 31.12.25**	As at 31.12.24
Cash and cash equivalents	13	**58,447**	105,919
Lease liabilities – current	14	**(4,228)**	(4,665)
Lease liabilities – non-current	14	**(6,792)**	(419)
Net cash		**47,427**	100,835

CAPITAL INVESTMENT

Definition: Capital expenditure for the purchase of property, plant and equipment and intangible assets.

Closest equivalent IFRS measure: Purchase of property, plant and equipment and intangible assets (net cash flows used in investing activities).

Rationale for adjustment: The Group presents the capital investment as it is a useful measure for evaluating the degree of capital invested in its business operations.

Reconciliation to closest IFRS equivalent:

US$000	Notes	**Year ended 31.12.25**	Year ended 31.12.24
Purchase of property, plant and equipment and intangible assets (net cash flows used in investing activities)	10	**49,070**	101,688

TOTAL LIQUIDITY

Definition: Sum of cash and cash equivalents, available committed facilities and undrawn uncommitted facilities. No committed facilities are outstanding as at 31 December 2025, or at the end of the comparative year ended 31 December 2024. Uncommitted facilities include trade finance facilities secured against receivable balances related to these specific trades.

Closest equivalent IFRS measure: Cash and cash equivalents.

Rationale for adjustment: The Group presents total liquidity as it is a useful measure for evaluating its ability to meet short-term business requirements.

Reconciliation to closest IFRS equivalent:

US$000	Notes	**As at 31.12.25**	As at 31.12.24
Cash and cash equivalents	13	**58,447**	105,919