

**Société Nationale Industrielle et Minière
SNIM**

Year ended December 31, 2025

**Statutory auditor's and independent auditor's report
on the annual financial statements**

CONEX
172 NRA
BP 3225
Nouakchott
République Islamique de Mauritanie

Société à Responsabilité Limitée de droit mauritanien

ERNST & YOUNG Audit
Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
344 366 315 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Société Nationale Industrielle et Minière SNIM

Year ended December 31, 2025

Statutory auditor's and independent auditor's report on the annual financial statements

To the President,

Opinion

We have audited the annual financial statements of SNIM , which comprise a statement of financial position as at December 31, 2025, as well as the income statement, statement of change in equity and cash flow statement for year ended December 31, 2025 and notes to the annual financial statements, including material policy accounting information.

In our opinion, the accompanying annual financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025, and its financial performance and cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the annual financial statements in France, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Annual Financial Statements

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Nouakchott and Paris-La Défense, April 29, 2026

The Statutory Auditor and the Independent Auditor

The Statutory Auditor
CONEX



Ely Mohamed M'bareck

The Independent Auditor
ERNST & YOUNG Audit



Moez Ajmi

SOCIETE NATIONALE INDUSTRIELLE ET MINIERE
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YEAR ENDED ON DECEMBER 31st, 2025

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SNIM
STATEMENT OF FINANCIAL POSITION
As at December 31 st, 2025

ASSETS

IN MMRU	Note	31/12/2025	31/12/2024
Non-current assets			
Property, Plant & Equipment	4.1	68 343	67 491
Intangible assets	4.2	175	191
Non-current financial assets	4.3	2 310	2 041
Investment in associates	4.3	6 084	5 799
Total of non-current assets		76 912	75 522
Current Assets			
Inventories and work in progress	4.4	12 967	12 403
Trade receivables	4.5	8 436	7 696
Other receivables	4.6	3 264	6 546
Current financial assets	4.7	39	19
Cash and cash equivalents	4.8	47 920	48 500
Total current assets		72 626	75 165
TOTAL ASSETS		149 538	150 687

EQUITY & LIABILITIES

IN MMRU	Note	31/12/2025	31/12/2024
Equity			
Issued capital	4.9	18 270	18 270
Share premium		646	646
Contribution premium		1 228	1 228
Legal reserves		1 827	1 827
Other comprehensive income	4.7-4.11	7 898	6 855
Retained earnings		98 837	96 887
Total Equity		128 706	125 714
Non-current liabilities			
Financial debts (portions over 1 year)	4.10	422	531
Retirement benefit obligations	4.11	7 681	7 787
Provisions	4.12	647	493
Total non-current liabilities		8 750	8 812
Current Liabilities			
Financial debts (portions at less than 1 year)	4.10	504	818
Trade payables	4.13	4 911	9 033
State and other public taxes	4.14	3 055	2 577
Other payables	4.15	3 595	3 584
Forward contracts	4.7	17	151
Total current liabilities		12 082	16 162
TOTAL EQUITY AND LIABILITIES		149 538	150 687

SNIM
INCOME STATEMENT
Period of 12 months ended December 31st, 2025

IN MMRU	Note	31/12/2025	31/12/2024
Iron ore sales	5.1	46 639	45 673
Revenue from ancillary business activities	5.2	712	744
Revenue		47 351	46 417
Changes in inventory of finished goods and work-in-progress		201	506
Capitalized production		1 010	670
Raw materials and consumables used	5.3	(17 202)	(16 732)
Gross Profit		31 360	30 860
Other operating income	5.4	93	38
Personnel expenses	5.5	(9 168)	(8 680)
Depreciation, amortization and provision expenses	5.6	(7 504)	(5 612)
Taxes and duties	5.7	(30)	(313)
Other operating expenses	5.8	(4 283)	(3 686)
Operating profit		10 468	12 607
Financial income	5.9	1 906	2 332
Financial expenses	5.10	(64)	(152)
Profit before tax		12 309	14 788
Income tax expense		(4 278)	(4 157)
Profit for the year		8 031	10 631
Earnings per share in Ouguiya	5.11	440	582

STATEMENT OF COMPRENSIVE INCOME

IN MMRU	31/12/2025	31/12/2024
Net Result of the year	8 031	10 631
Other comprehensive income	1 042	397
Comprehensive Income	9 074	11 028

SNIM
STATEMENT OF CASH FLOWS
Period of 12 months ended December 31st, 2025

IN MMRU	Note	31/12/2025	31/12/2024
Operating activities			
Income before tax		12 309	14 788
Amortization, depreciation and provision	6.1	8 049	6 611
Reversal of amortization, depreciation and provisions	6.4	(1 420)	(1 111)
Gains /losses on asset sales		-	-
Gains /losses on exchange	6.5	133	553
Investment income		(1 831)	(2 317)
Financial expenses		50	74
Changes in working capital	6.2	(1 129)	(907)
Cash flow generated by operating activities		16 162	17 689
Interest paid		(53)	(76)
Income tax paid		(3 874)	(4 666)
Net cash flow from operating activities		12 235	12 947
Investing activities			
Acquisition of fixed assets	6.3	(8 366)	(7 209)
Interests received		1 735	2 215
Dividends received		96	102
Net cash flow from investing activities		(6 535)	(4 892)
Financing activities			
Other financial payments		348	311
Payments on long-term borrowings		(452)	(631)
Other financial Proceeds		(96)	(86)
Dividends paid		(6 079)	(7 488)
Net cash flow from financing activities		(6 280)	(7 894)
Cash and cash equivalents at the beginning of the period		48 500	48 339
Net Change in cash and cash equivalents		(580)	161
Cash and cash equivalents at the end of the period	6.6	47 920	48 500

SNIM
STATEMENT OF CHANGES OF EQUITY
As at December 31st, 2025

IN MMRU	Issued Capital	Share premium	Contribution premium	Legal reserves	Other comprehensive income	Accumulated profits	Total
Shareholders' equity as at January 1st, 2024	18 270	646	1228	1 827	6 458	93 741	122 171
Revaluation of financial instruments	-	-	-	-	(107)	-	(107)
Revaluation for pension plans	-	-	-	-	(151)	-	(151)
Reserve allocation	-	-	-	-	655	-	655
Net result of the period	-	-	-	-	-	10 631	10 631
Dividends	-	-	-	-	-	(7 485)	(7 485)
Shareholders' equity as at January 1st, 2025	18 270	646	1228	1 827	6 855	96 887	125 714
Revaluation of financial instruments	-	-	-	-	91	-	91
Revaluation for pension plans	-	-	-	-	785 *	-	785
Exchange difference on conversion into the reporting currency	-	-	-	-	166**	-	166
Net result of the period	-	-	-	-	-	8 031	8 031
Dividends	-	-	-	-	-	(6 082)	(6 082)
Shareholders' equity as at December 31st, 2025	18 270	646	1228	1 827	7 898	98 837	128 706

*785 MMRU decrease in retirement benefits related to changes in experiences accounted for in other comprehensive income.

**166 MMRU of exchange difference on the conversion into the presentation currency resulting from an exchange gain of 1 445 MMRU and an exchange loss of 1 279 MMRU, recognized in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
As at December 31st, 2025

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

The statutory financial statements for the year ended December 31st, 2025, were authorized for issuance in accordance with Board of Directors resolution on **April 28th, 2026**.

1- MAIN EVENTS OF THE YEAR 2025

The financial year 2025 has been marked by the following events:

- Mineral sales amount to 47 billion MRU (1,17 billion USD), in increase by 2% compared to 2024, following the rise in sales volume in 2025.
- Sales volume amounts to 14.7 million tons, a 3% increase compared to 2024.
- Signing loan agreements with the African Development Bank (AfDB) and the European Investment Bank (EIB) for a total amount of USD 275 million as part of the Railway Capacity Expansion Project (Railway Modernisation).
- Creation of a new subsidiary, "ECOPART," dedicated to subcontracting.

2- PURPOSE AND ACTIVITIES OF THE COMPANY

The National Industrial and Mining Company (SNIM) is a limited company under Mauritanian laws. The company is registered in the Islamic Republic of Mauritania. The company headquarters are located in Nouadhibou, PO. 42.

The company carries out the exploration, production and marketing of iron ore. The company extracts iron ore from the mines of M'haoudat, Guelbs and Kédia.

3- ACCOUNTING POLICIES

3-1 Principles for the preparation of the Financial Statements

3.1.1 Applicable standards

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The publication of the financial statements in IFRS is justified by:

- ✓ The wish for harmonization expressed by investors and sponsors, who are the main users of our financial statements.
- ✓ The use of these standards by SNIM's partners.
- ✓ Our concern to give comparable financial information.

Standards, amendments and interpretation applicable as at January 1st, 2025

The financial statements as at December 31st, 2025 have been prepared in accordance with IFRS (International Financial Reporting Standards) as approved by the EU (European Union) in effect on that date, and in accordance with IFRS standard as issued by the IASB (International Accounting Standards Board) and mandatory as at December 31st, 2025.

New, Revised or Amended IFRSs that must be applied from January 1, 2025

The following IFRS standards and IFRIC interpretations, effective from January 1, 2025, had no material impact on SNIM's financial statements.

Standards	Topics
Amendements to l'IAS 21	Lack of exchangeability

New, Revised or Amended IFRSs not yet mandatory as at December 31st, 2025

The IFRS standards and IFRIC interpretations published by the IASB that are not yet mandatory should not have a significant impact on SNIM's financial statements.

Standards	Topics	Effective date
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1st, 2026
Amendments to IFRS 9 and IFRS 7	Power Purchase Agreements	January 1st, 2026
IFRS 19	Subsidiaries without a public accountability requirement: Disclosures	January 1st, 2027
Amendments to IAS 21	Translation into a hyperinflationary presentation currency	January 1st, 2027

The IFRS standards and IFRIC interpretations issued by the IASB but not yet effective are expected to have an impact on SNIM's financial statements.

Normes	Contenu	Effective date
IFRS 18	Presentation and disclosures in the financial statements	January 1st, 2027

3.1.2 General principles

The principles used are based on the historical cost method and the accrual basis of accounting method, except for (1) derivative financial instruments and (2) categories of reevaluated fixed assets that have been measured at fair value.

The carrying values of assets and liabilities that are hedged at fair value are adjusted to record changes in the fair value attributable to the risks that are being hedged.

The financial statements are presented and evaluated in ouguiyas. All tables and annexes are presented in millions of ouguiyas (MMRUs).

The income statement is presented by nature.

3-2 Property, plant, and equipment**Accounting policies:**

Tangible assets are recorded on the basis of cost model according to the standard IAS 16. Cost includes the purchase price, all costs necessary to bring the asset into working condition less the accumulated depreciation and impairment.

The accounting methods applied to each category of property, plant and equipment are as follows :

- | | |
|---|------------------|
| ▪ Buildings: | Acquisition cost |
| ▪ Specialized complex installations: | Fair value |
| ▪ Railway rolling stock and railroad track equipment: | Fair value |
| ▪ Operating equipment: | Acquisition cost |
| ▪ Transport equipment: | Acquisition cost |
| ▪ Other tangible assets: | Acquisition cost |

Depreciation:

Depreciation of tangible assets is calculated on a straight-line basis over the useful life of the asset to reflect the rhythm of consumption of the future economic advantages expected from the asset according to the IAS 16.

The estimated useful life of the respective asset categories is as follows:

▪ Buildings:	14 to 30 years
▪ Specialized complex installations:	15 to 30 years
▪ Railway rolling stock and railroad equipment:	10 to 30 years
▪ Operating equipment:	5 to 30 years
▪ Transport equipment:	5 years
▪ Other tangible assets:	5 years

Lease agreements

SNIM assesses whether a contract is, or contains, a lease, at inception of the contract in accordance with IFRS 16.

A right-of-use asset and a corresponding lease liability are recognized with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low value assets.

The right-of-use assets are initially recorded at the commencement date of the lease when the underlying asset is available for use. The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Right-of-use assets are presented within "Property, plant and equipment" and lease liabilities within "Financing liabilities" and the principal portion of lease payments is classified within financing activities and the interest portion within operating activities.

Impairment

The carrying value of tangible assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may be inferior to the recoverable amount.

If any such indication exists and when the carrying values exceed the estimated recoverable amount, the asset or cash-generating units are written down to their recoverable value.

The recoverable amount of property, plant and equipment is the greater of the fair value net of disposal costs and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments, the time value of money as well as the specific risks to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the income statement.

Stripping costs

In surface mining operations, entities may find it necessary to remove mine waste materials ('overburden') to gain access to mineral ore deposits. This waste removal activity is known as 'stripping'. There can be two benefits accruing to the entity from the stripping activity: usable ore that can be used to produce inventory and an improved access to further quantities of material that will be mined in future periods.

- **Stripping cost incurred during the development phase:** costs incurred are capitalized and are included in the cost of mine construction and subsequently amortized over its useful life. Capitalization of discovery costs ceases when the mine or component is commissioned and ready for use as planned by management.
- **Stripping cost incurred during the operating phase:** IFRIC 20 provides for the following treatments:
 - (a) Accounted for as current costs of production in accordance with IAS 2 if they are related to routine stripping cost.
 - (b) Recognition as a non-current asset (stripping activity asset') when stripping activities provide better access to the natural resource in subsequent periods if, and only if, all of the following conditions are met:
 - (i) It is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the entity;
 - (ii) The entity can identify the component of the ore body for which access has been improved;
 - (iii) The costs relating to the stripping activity associated with that component can be measured reliably.

Given the constraints related to the implementation of the standard that affect the reliability of the information to be produced, the stripping cost incurred during the production phase is allocated to inventories produced during the period.

The costs of obligations for dismantling, removing and restoring the site

Within the context of its mining operations, implicit commitments could lead SNIM to recognize assets with a view to the dismantling and/or rehabilitation of the facilities. SNIM also remains attentive to any changes in legislation and decisions taken in such matters by the Mauritian authorities (cf.3.14 Site rehabilitation).

3-3 Intangible assets

Intangible assets are recognized at their acquisition cost in accordance with IAS 38. They are depreciated on a straight-line basis over their estimated useful life, between 3 and 5 years.

The carrying value of intangible assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may be less than its recoverable amount or when the asset does not meet the amortization requirements of IAS 38 (economic benefits consumed over several years).

The company's intangible assets do not include any Goodwill.

3-4 Exploration for and Evaluation of Mineral Resources

IFRS 6, which specifies the financial information to be disclosed relative to the exploration and evaluation of mineral resources, has been mandatory since 2006.

An entity shall determine an accounting policy specifying which expenditures are recognized as assets of exploration and apply the policy consistently and permanently, the method applied by SNIM is as follows:

For intangible assets, recognized expenditures are as specified in §9 and only concern the research and development costs provided for by IFRS 6, including:

- ✓ Acquisition of rights to explore,
- ✓ Topographical, geological, geochemical, and geophysical studies.
- ✓ Exploratory drilling,
- ✓ Trenching,
- ✓ Sampling

For tangible assets these are the tangible assets used by the entity dedicated to research.

3-5 Non-current financial assets

The Company grants interest-free loans to employees. Deposits and guarantees, requested by the Mauritanian electricity, water and telecommunications companies, are intended to cover the risk of credit and potential equipment damage. Loans and guarantees are accounted for at their historical cost.

3-6 Investments in associates

Investments in subsidiaries, joint ventures and associates are recorded in the statement of financial position at their acquisition value in accordance with the provisions of IAS 27. A provision is made in the event of a loss in value at the acquisition value.

3-7 Inventories and work-in-progress

Inventories and work in progress are mainly composed of raw materials, iron ore and other supplies (Spare parts).

In accordance with IAS 2, raw materials, and other supplies, including spare parts, are valued at the lower of the weighted average cost and net realizable value.

Inventories of iron ore and other supplies are depreciated every year and are valued at its net realizable value. The depreciation method of raw materials and other supplies can be presented as follows:

Items in stock:

- No depreciation on items with a regular consumption for which coverage is less or equal to one year;
- 15% Statistical depreciation per year for items having recorded at least one movement (consumption) during the last three years;
- 100% Statistical depreciation per year for dead items (items with no movement in the last three years except strategic items)
- 100% Statistical depreciation per year for disputed items

Iron ore inventories:

Inventories of iron ore, including ore stockpiles, are valued at their weighted average price or at their net realizable value if such value proves to be lower. The cost includes the direct costs of the mines, the production sites, the railway and the port, as well as a portion of amortization and depreciation and general expenses. This valuation does not take into account financial expenses, the fixed and variable general administrative expenses incurred to transform the raw materials into finished products and the costs related to sales and marketing.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The ore with a poor quality is totally depreciated. It has no market value.

3-8 Impairment test

In accordance with IAS 36, impairment tests are performed on tangible and intangible assets when any indication of potential loss of value is identified. Such tests are performed at least once a year on intangible assets with an indefinite useful life and on goodwill.

When the net book value of assets grouped together in a cash-generating unit exceeds their recoverable value, depreciation is recorded for an amount corresponding to the difference between the net book value and the recoverable value. Recoverable value is defined as the highest value between the asset's fair value less costs to sell and its useful value. Useful value is determined according to the discounted cash-flow method.

In case of cash generating unit, goodwill on consolidation is apportioned by cash-generating unit for the purposes of the impairment test. Depreciation that is charged at first on goodwill when necessary, is recognized in a specific section of the income statement when the amounts are significant. Any impairment recorded on goodwill cannot be reversed later.

Cash generating unit definition

According to IAS 36, goodwill, tangible asset and intangible asset values are subject to impairment tests whenever there is an indication of loss of value. These indications are reviewed at year-end. This test must be performed at least once a year for assets with an undefined life, a category which does not exist at SNIM.

In order to perform such a test, assets are gathered into cash-generating units (CGUs). These CGUs are composed of homogeneous assets which generate cash-flows that are largely independent of cash-flows generated by other groups of assets.

The criterion for defining CGUs has led SNIM to make the following grouping:

Company SNIM: this is a homogeneous, integrated unit which groups the three mines operated at Zouerate, the private railway siding and the port facilities in Nouadhibou. These items cannot generate cash-flows that are largely independent of cash-flows generated by the other components of SNIM.

The useful value of these units is determined according to net discounted cash-flows. When the net value of assets grouped into a cash-generating unit exceeds its useful value, depreciation is recorded for an amount corresponding to the difference between net value and useful value. Depreciation is allocated first to reduce the carrying amount of any goodwill.

3-9 Trade receivable

Trade receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amounts in accordance with IFRS 9. An estimate for doubtful debt is made when collection of the full amount is no longer probable. Bad debts are recorded as losses when identified as such.

3-10 Borrowing cost

In accordance with IAS 23, borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are recorded as part of the cost of that asset. Since 2016, all interests of qualifying assets have been recorded in expenses further to the putting into service of the projects relative to it (mainly Guelb, Port).

3-11 Cash or cash-equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the cash flow statement, cash and cash equivalents correspond to the definition above and are net of outstanding bank overdrafts.

3-12 Financial debts

SNIM's financial debt is mainly contracted with international financial sponsors at both preferred and non-preferred rates.

loans at preferred rates should initially be measured at fair value, i.e., at the present value of all future cash receipts discounted using the prevailing market rate(s) of interest for a similar instrument (similar as to currency, term, type of interest rate and other factors) with a similar credit rating. Any additional amount lent is an expense or a reduction of income unless it qualifies for recognition as some other type of asset.

In order to determine the market value of a loan granted at a preferential rate, and therefore off the market, it is necessary to reliably determine a discount rate for future flows.

In view of SNIM's specific environment, the market information that is necessary for determining a rate trend, in order to calculate the market value of favorable-rate loans, is not available because of the following:

- No market for long-term financing of private business in foreign currencies exists in Mauritania,
- It is difficult to evaluate SNIM's credit spread,
- No comparable ore extracting company exists in Western Africa.

It is consequently impossible to reliably determine a market value for the favorable-rate loans taken out by SNIM. In such a case SNIM measure the financial assets and liabilities at transaction price, which equals the amounts received. Interest is recorded on a nominal rate basis.

As part of the implementation of the port dredging project, SNIM signed financing agreements on 28 June 2018. In addition, for the implementation of the Railway Modernisation Project, SNIM entered into financing agreements on 24 November 2025. Both projects were financed by the same two banks, named:

- i) The African Development Bank;
- ii) The European Investment Bank.

These bank loans are subject to clauses (referred to as "covenants") requiring compliance with certain financial ratios.

Failure to comply with these ratios grants the lenders the right to demand early repayment of their facilities. The ratios are calculated semi-annually on the basis of both stand-alone and consolidated financial statements.

The ratios are as follows :

- i) Net Debt Ratio (Net debt, after deduction of cash, to EBITDA) less than or equal to 3,5;
- ii) Financial Structure Ratio (Long- and Medium-Term Debt / Equity) less than or equal to 2;
- iii) Liquidity Ratio (Current Assets / Current Liabilities) greater than or equal to 1,5.

In addition to compliance with the financial ratios, SNIM must meet certain conditions, in particular the maintenance of a minimum cash balance of USD 100 million. Any failure to meet this requirement will be considered an event of default.

All the ratios provided for by the terms of the contracts described above have been respected as at December 31, 2025.

3-13 Allowance for contingencies

In accordance with standard IAS 37, provisions are booked when the company has a present obligation (legal or constructive) which has arisen as a result of a past event, when it is probable that an outflow of resources representing economic benefits will be necessary to extinguish the obligation and when the amount can be estimated reliably.

The obligations resulting from restructuring operations are recognized at the time of their announcement to the people concerned.

3-14 Site rehabilitation

The legal obligations as at December 31st, 2025, related to the rehabilitation of mining extraction sites are governed by the following regulatory framework:

The obligation to rehabilitate sites is mentioned in 1979 mining code.

This code, as updated in 2009 following the publication of law no. 2009-26 of 7 April 2009, states that the abandonment of the operations of any mining extraction zone must be the subject of a ministerial order defining the action taken in terms of "public health and safety and essential features of the environment".

As of April 28th, 2026, the Council of Ministers has not adopted any decree instituting the practical obligations.

Law no. 2000-45 relating to the environment: The law confirms the existence of this legal obligation to rehabilitate extraction sites in Mauritania. Article 44 of this text, enacted on 26 July 2000, states that: “The operation of quarries and mines, as well as mineral exploration work, must be designed and performed in such a way that:

- It does not damage the environment surrounding the sites, or create or aggravate erosion phenomena
- The sites operated can be returned to their initial state.

The rehabilitation of the sites is the responsibility of the operator of the quarry or mine. The methods and deadlines for carrying out the work will be fixed by decree adopted on the basis of a joint report of the Minister for the Environment and the Minister for Mines.”

(Title III: Protection of resources and the natural environment / Chapter III: Protection of the soil and subsoil / Article 44)

This law has been the subject of the adopting of the following decrees:

- Decree no. 2004-94 requires that an environmental impact assessment must be carried out before any mine with a capacity exceeding 100 tons/day is opened for operation
- The decree no. 2007-107 confirms this obligation and its article 7.8 requires that the measures taken in connection with this obligation to clean up the sites be accompanied by a bank guarantee, but it does not give any guidelines as to the interpretation of the term “rehabilitation”.

As of April 28, 2026, these decrees had not defined any practical obligations.

- On 4 February 2009, decree no. 2009-051 was adopted within the framework of the law on the environment
- The decree didn’t modify the article 14 of decree no. 2008-159 ruling on the following obligation: “Two months before expiry of the operating license, the mining cadaster must inform the Mines and Geology Cadaster of such expiry so that it makes sure that the license-holder carries out the clean-up work in compliance with the provisions of the decree relating to the Mines Police and of the decree relating to the mining environment.”

In conclusion, although the legal obligation exists, it is not accompanied by an implementing decree specifying its interpretation. As the obligation cannot be assessed reliably, no provision has been booked in the financial statements of SNIM as of year-end.

In addition, since the end of February 2011, SNIM has been certified ISO 14001. Within this context, the objectives set are:

- The environmental analysis of the sites, the launch of the environmental management plan and the definition of the environmental program targets.
- SNIM’s legal department is monitoring any changes in the legislation relating to these obligations.
- Technical department is actually working on valuation hypothesis based on the interpretation of actual laws and based on informal obligations linked to ISO 14001’s certification.

A provision will be recognized as soon as a reliable assessment of this obligation will be made. Variations of this passive evaluation will be recorded in accordance with IFRIC 1.

3-15 Employee benefits

Benefit pension plan:

The company has a benefit pension plan which is qualified as a defined-benefit pension plan. Note that there is no separately administered fund financing whole or part of the pension plan.

The method applied for evaluating the plan is that of the projected unit credit actuarial valuation method. This method consists in measuring the benefit according to the projected wage at the end of the employee’s career and to the acquired rights at valuation date. Actuarial differences have been booked according to the corridor method.

Actuarial gains and losses arising from the remeasurement of the defined benefit obligation and plan assets are recognized immediately in Other Comprehensive Income (OCI). They are neither amortized nor subsequently recycled to profit or loss. These remeasurements include, in particular, differences between actuarial assumptions and actual experience, as well as changes in the fair value of plan assets, excluding expected investment returns.

The option provided by IAS 19 allowing the recognition of all the actuarial gaps in equity became mandatory as of 1st January 2013. The company recognizes all actuarial differences in equity in accordance with last amended IAS19.

The company offers certain additional non-post-employment benefits to its senior executives. These include mainly tax sharing, healthcare, company cars, fuel and allocated housing.

The costs related to these benefits are insignificant. Consequently, they are accounted for as expenses.

Definition of contribution plan:

SNIM has decided to set up, as from January 2011, a defined contribution supplementary pension plan with the following main characteristics:

- ✓ An employer contribution corresponding to 10% and an employee contribution corresponding to 7% of the reference salary
- ✓ The prior service cost is borne by SNIM
- ✓ The reference salary is the base salary plus the seniority bonus.

Increases and reversals of the lump-sum pension indemnities and supplementary pension are booked to personnel charges.

3-16 Income from ordinary activities

IFRS 15 requires the identification of service obligations for the transfer of goods and services to the customer for each contract. Revenue is recognized when the performance obligations are met on the basis of the amount of remuneration the company expects to receive in exchange for the transfer of goods and services to the customer.

Revenue from SNIM's ordinary activities consists essentially of mineral sales, which is recognized when control of the property is transferred to the buyer and the amount can be reasonably estimated. Mineral sales are made FOB and the transfer of control is made at the time of loading the minerals.

3-17 Government Grants

Government grants are recognized at their fair value when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognized, on a systematic basis, as income over the years necessary to match the grant to the costs that it is intended to offset.

When the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual annuity.

3-18 Income tax

In view of SNIM's current fiscal status and the bases for the determination of tax (9% of the turnover) there are no deferred taxes.

3-19 Management of the functional and presentation currency

SNIM presents its financial statements in local currency, the Ouguiya.

The information system is currently set for the Ouguiya as functional currency, with the Dollar being used as parallel currency. However, the system allows the editing of financial statements presented in USD. Shareholders' equity based on USD as a

functional currency and presented in MRU (converted to average annual rate) can be estimated at 154,869 MMRU against 128,706 MMRU in the presented financial statements.

3-20 Derivative financial instruments and Hedging transactions

SNIM uses derivative financial instruments to hedge against the risks relating to its business (exchange risk related to its operating, investing and financing activities).

Derivative financial instruments negotiated for hedging the company's exposure to risks linked to its business or to financing operations are qualified as cash-flow hedges where the company hedges exposure to variability in cash-flows attributable to a future transaction.

SNIM does not use financial instruments to cover the exposure to variations in the fair value of assets or liabilities, except for the exchange risk, or to cover investment in foreign activity.

Cash-flow hedging respecting the eligibility criteria of the hedge accounting

Gains or losses on hedging instruments are recognized in equity for the portion that is determined to be effective and in the income statement for the ineffective portion. At the time the hedging transaction is recognized, the associated gains or losses that had previously been recognized in equity are transferred to the income statement for the same period as the hedged transaction and to the same account.

Hedge accounting ceases to be applied when the hedging instrument expires or is sold, terminated or exercised, or when it no longer meets the criteria for hedge accounting as defined in IFRS 9. In this case, the cumulative gain or loss on the hedging instrument initially recognized directly in equity shall be maintained separately in equity until the commitment or forecast transaction has occurred

In the event that the hedged transaction is not realized, the cumulative changes in value recognized directly in equity are recognized in profit or loss for the year.

Derivative financial instrument operations not qualifying for hedge accounting:

Gains or losses arising from the changes in the fair value of the derivative instruments (such as the put options or the conditional contracts so called exotic contracts), are taken directly to net profit or loss for the year.

All derivative financial instruments are stated in assets or liabilities at their fair value when the contract is negotiated and later revalued at the fair value at every year-end. The market value of forward contracts and interest rate swaps, during their lifetime and at maturity, is determined by an independent expert based on immediate and at term data at the time when the different underlying items and risk-free interest rate trends are valued for discounting.

During the option lifetime and at maturity, the market value is determined by an independent expert according to the Black and Scholes model, based on the following elements:

- ✓ Market value of the underlying item
- ✓ Option exercise price
- ✓ Sensitivity "to the forward currency"
- ✓ Risk-free interest rate.
- ✓ Maturity of the option.

3-21 Interest and dividends

Dividend revenue is recognized when the shareholders' right to receive the payment is established.

The company's accounting policy is to classify dividends and interest received as investing activities, dividends paid as financing activities and interest paid as operating activities in the Cash flow Statement.

3-22 Segment reporting

SNIM is dedicated to extraction of iron ore. Indeed. The analysis of the activity is carried out through geographical zones which constitute the primary level of sector-based information according to standard IFRS 8 "Sector-based investment" for the product of ordinary activities from external clients. Other information related to profit and loss, assets and liabilities are not followed by geographical zones. The group activity is indeed made integrally outside the Islamic Republic of Mauritania. Geographical zones can be identified as follows:

- China,
- Algeria,
- Italy,
- Australia,
- England,
- Japan,
- Germany,
- France,
- Other countries member of the European Union,
- Others

4- ADDITIONAL INFORMATION RELATING TO THE STATEMENT OF FINANCIAL POSITION**4.1 Property, Plant & Equipment**

Assets valued at fair value	31/12/2024	Acquisitions	Transfers	Disposals	31/12/2025
Gross value	53 948	2 324	-	(158)	56 115
Accumulated depreciation	29 883	2 186	(158)	-	31 912
Impairment	-	313	-	-	313
NET VALUE	24 064	(174)	158	(158)	23 890

Assets valued at cost	31/12/2024	Acquisitions	Transfers	Disposals	31/12/2025
Gross value	71 872	3 961	-	(34)	75 799
Right of use assets	3 723	-	-	-	3 723
Accumulated depreciation	44 420	4 026	-	(18)	48 428
Impairment	-	173	-	-	173
NET VALUE	31 175	(238)	-	(16)	30 920

TOTAL GROSS VALUE	129 542	6 286	-	(192)	135 636
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TOTAL DEPRECIATION	74 303	6 212	(158)	(18)	80 340
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TOTAL IMPAIRMENT	-	486	-	-	486
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FIXED ASSETS IN PROGRESS	12 251	11 133	(9 852)	-	13 532
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NET VALUE FIXED ASSETS*	67 491	10 721	(9 695)	(174)	68 343
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*Not including the net value of Prospecting Assets which amount to a low value of 0,29 MMRU as of December 31, 2025, and 0,34 MMRU as of December 31, 2024

The additions of the year 2025 amount to 11 133 MMRU of which 1 010 MMRU of capitalized production.

There are no events or evidence of impairment on the company's assets. Therefore, no impairment test has been performed.

There is also no collateral on property, plant, and equipment.

Capitalized borrowing costs:

The loan costs incorporated into the cost of assets for the year are as follows:

IN MMRU	31/12/2024	Incorporated costs during the period	31/12/2025
Guelb2	2 024	-	2 024
Mineral harbor	406	-	406
Harbor Dredging	200	-	200
Total	2 630	-	2 630

Finance leases

The gross value of the financial leases included in the final assets (see 4.1 Tangible fixed assets) is as follows:

IN MMRU	31/12/2024	Acquisitions	Disposals	31/12/2025
Renewal of Port Equipment (part BID)	7 69	-	-	769
Other materials Guelbs II (part BID)	2 324	-	-	2 324
Railway Materials (Part BID)	631	-	-	631
Gross value	3 723	-	-	3 723

Other materials Guelbs II correspond to:

- 10 mining trucks for 614 MMRU
- 6 locomotives for 573 MMRU
- 6 loading systems of wagon for 463 MMRU
- 4 wet concentrations for 674 MMRU

Railway materials correspond to:

- Concrete sleepers' plant for 375 MMRU
- Supplies of equipment of Railway for 256 MMRU

Finance lease obligations

No lease obligations, as defined under IFRS 16, exist at the reporting date.

4.1.1 Property, plant, and equipment at fair value

Property, plant & equipment are valued at their acquisition cost except for the categories of fixed assets that were revalued during financial year 2000. The revalued amounts were confirmed during financial year 2001 by an independent expert, the firm Met-Chem.

Certain classes of assets have been regularly revalued since then, notably during financial year 2006. The fair value has been determined according to the replacement cost method less accumulated depreciation, as there was no market-based evidence.

The replacement cost has been estimated taking the following criteria into consideration:

- Value at purchase
- The technical condition of the equipment
- The useful life and the age of the equipment

GROSS VALUE IN MMRU	31/12/2024	Acquisitions	Transfers	Disposals	31/12/2025
Specialized complex installations	44 519	2 207	-	-	46 726
Railway rolling stock and railroad track	9 429	117	-	(158)	9 388
TOTAL	53 948	2 324	-	(158)	56 115

DEPRECIATIONS / IMPAIRMENT	31/12/2024	Allowance	Transfers	Reversals	31/12/2025
Specialized complex installations	24 636	1 978	-	-	26 614
Railway rolling stock and railroad track	5 248	208	(158)	-	5 298
Impairment	-	313	-	-	313
TOTAL	29 883	2 499	(158)	-	32 224

NET BOOK VALUE	31/12/2024	Increase / Allowance	Transfers	Decrease	31/12/2025
Specialized complex installations	19 883	107	-	-	19 991
Railway rolling stock and railroad track	4 181	(281)	158	(158)	3 900
TOTAL	24 064	(174)	158	(158)	23 890

4.1.2 Property, plant, and equipment at acquisition cost

GROSS VALUE IN MMRU	31/12/2024	Acquisitions	Transfers	Disposals	31/12/2025
Land	470	-	-	-	470
Land improvements	111	-	-	(14)	98
Buildings	30 047	1 155	-	(10)	31 193
Operating equipment	40 765	2 440	-	(6)	43 199
Transportation equipment	3 050	335	-	(3)	3 381
Office and IT equipment	673	20	-	-	693
Office furniture	480	11	-	(1)	489
TOTAL	75 595	3 961	-	(34)	79 522

Depreciation / Impairment	31/12/2024	Allowance	Transfers	Reversals	31/12/2025
Land	-	-	-	-	-
Land improvements	17	-	-	-	17
Buildings	14 500	1 260	-	(10)	15 750
Operating equipment	26 636	2 341	-	(6)	28 971
Transportation equipment	2 314	365	-	(1)	2 678
Office and IT equipment	596	28	-	-	624
Office furniture	357	32	-	(1)	388
Impairment	-	173	-	-	173
TOTAL	44 420	4 199	-	(18)	48 601

NET BOOK VALUE	31/12/2024	Increase/ Allowance	Transfers	Decrease	31/12/2025
Land	470	-	-	-	470
Land improvements	94	(0)	-	(14)	81
Buildings	15 546	(105)	-	-	15 442
Operating equipment	14 129	(64)	-	-	14 065
Transportation equipment	735	(40)	-	(3)	693
Office and IT equipment	77	(8)	-	-	70
Office furniture	123	(22)	-	(0)	100
TOTAL	31 175	(238)	-	(16)	30 921

The following table shows the gross values of fully depreciated property, plant and equipment that are still in use as of December 31st, 2025:

Description IN MMRU	Gross value	
	2 024	2 025
Buildings	1 840	4 605
Railway rolling stock and railroad track equipment	1 888	2 681
Specialized complex installations	10 376	12 710
Operating equipment	17 519	18 778
Transportation equipment	1 772	1 962
Other tangible assets	899	336
TOTAL	34 294	41 072

4.2 Intangible assets

Variation in Intangible gross fixed assets	31/12/2024	Acquisitions	Disposals	31/12/2025
Intangible fixed assets value	837	1	-	838
TOTAL	837	1	-	838

Change in depreciation	31/12/2024	Allowance	Reversals	31/12/2025
Intangible fixed assets value	646	17	-	663
TOTAL	646	17	-	663
Net Value	191	(16)	-	175

These intangible assets relate to acquired patents and software.

Sensitivity tests

In closing context, company's assessment regarding reasonably possible variations related to the key assumptions corresponds to the ranges of values used in the sensitivity tests.

According to IAS36, property, plant and equipment with extinct useful lives are subject to an impairment test when there are indications of an impairment possibility. Sensitivity tests on key assumptions, particularly operational, taking into account reasonably possible variations are carried out during the impairment test, namely:

- A sensitivity test on ore prices
- A sensitivity test on growth rates and WACC

During financial year 2025, no indication for impairment of fixed asset have been identified for the property, plant and equipment has been revealed.

4.3 Non-current financial assets and investments in Associates

IN MMRU	31/12/2025	31/12/2024
Loans and advances	2 294	2 164
Deposits and guarantees	16	15
Provision for other assets' impairment	-	(138)
Non-current financial assets	2 310	2 041
Investment in associates	6 084	5 799
TOTAL	8 394	7 840

4.3.1 Non-current financial assets:

Loans and advances mainly include:

- Loans and advances granted to the company's employees. These loans are recorded at the value of the amounts lent and do not generate interest.
- The Najah loan, which relates to the tripartite agreement (State, SNIM and NAJAH) by which the State undertakes to pay the SNIM the remainder of the loan and NAJAH undertakes to carry out certain works in favor of the State.

Deposits and guarantees are valued on the disbursed amounts basis. The gap with their fair value is not significant.

The provision for impairment of non-current financial assets corresponds to the impairment of loans.

4.3.2 Investments in associates

IN MMRU	31/12/2024	Increase	Transfers	Disposals	31/12/2025
Investments in associates	8 734	1	-	-	8 735
Subsidiary loans	2 983	624	-	-	3 607
Gross Value	11 718	625	-	-	12 342
Impairment of Investments in associates	(4 733)	(217)	-	-	(4 950)
Impairment of Subsidiary Loans	(1 185)	(122)	-	-	(1 307)
Provision for impairment	(5 919)	(339)	-	-	(6 257)
Investments in associates	4 001	(217)	-	-	3 785
Subsidiary loans	1 798	502	-	-	2 300
Net Value	5 799	285	-	-	6 084

The increase in Subsidiary loans corresponds to:

- Shareholder advances in favor of TAKAMUL 238 MMRU
- Shareholder advances in favor of GHM de 192 MMRU
- Shareholder advances in favor of EL AOUI SA de 81 MMRU
- Shareholder advances in favor of SAMIA 62 MMRU
- Shareholder advances in favor of ATTM 20 MMRU
- Shareholder advances in favor of SAFA 18 MMRU
- Shareholder advances in favor of GMM and GHM 14 MMRU

Investment in associated companies at 31 12 2025 (In MMRU)												
Company	Capital	Equity other than capital	Share of capital held (in %)	Book value of the investment in the balance sheet		Loans or advances granted and not repaid in balance sheet		Guarantees and endorsements given	Revenue	Income	Total of balance sheet	Dividends received during the year
				Gross	Net	Gross	Net					
SOMASERT	57	38	100%	56	56	-	-	-	121	10	166	6
SAFA	30	260	100%	28	28	35	35	-	211	32	408	9
SAMMA	10	312	53%	1	1	-	-	-	183	73	384	24
ATTM	1 890	(2 257)	79%	3 628	-	154	-	-	1 459	(566)	2 710	-
COMECA	20	194	92%	18	18	-	-	-	524	39	329	7
SAMIA	364	(277)	89%	326	78	198	-	-	30	(57)	424	-
GMM	110	(296)	96%	344	-	66	-	-	1	(106)	43	-
TUM	82	-	65%	82	-	-	-	-	-	-	-	-
EL AOUI SA	2 457	(735)	50%	1 228	883	1 566	570	-	-	(4)	5 829	-
GIP	728	372	68%	495	495	-	-	-	164	45	2 341	26
MAIL	6 867	(5 229)	15%	810	538	-	-	-	1 573	(1 133)	5 686	-
DAMANE ASSURANCE SA	600	126	20%	120	120	-	-	-	146	62	1 084	13
M2E	50	5	100%	50	50	-	-	-	149	(8)	142	-
MSMS (TAKAMUL)	1 075	51	50%	535	535	827	827	-	-	-	4 726	-
AMSAGA	-	-	100%	-	-	4	-	-	-	-	-	-
GHM	1 591	(177)	62%	977	966	757	757	-	40	(100)	3 421	-
SRN	8	71	35%	3	3	-	-	-	297	53	195	11
ENCO	8	2	30%	2	2	-	-	-	6	(0)	10	-
GPIM	30	(18)	100%	30	12	-	-	-	0	(10)	53	-
ECOPART	1	-	100%	-	-	-	-	-	-	-	-	-
	15 978	(8 389)		8 733	3 785	3 607	2 189	-	4 904	(1 670)	27 951	96

The business purpose of each of the subsidiaries is presented below:

- **La Société Mauritanienne de Services et de Tourisme (SOMASERT)** is managing hotel infrastructures and promotion of potential tourism in the country.
- **La Société Arabe du Fer et de l'Acier (SAFA)** is producing iron and operating an iron-foundry with a capacity of 2,000 tons.
- **La Société d'Acconage et de Manutention en Mauritanie (SAMMA)** operations of consignment, transit and handling in the ports of Nouakchott and Nouadhibou;
- **La Société d'Assainissement, de Travaux, de Transport et de Maintenance (ATTM)** civil engineering and road construction.
- **La société Construction Mécanique de l'Atlantique (COMECA)** manufacturing, production and repair framework mechanical parts, mechanical ensembles, and boiler works.
- **La Société Arabe des Industries Métallurgiques (SAMIA)** extracts and produces gypsum and plaster.
- **La société Granite et Marbre de Mauritanie (GMM)** exploitation and trade of ornamental stones, mainly granite and marble.
- **Gestion des Installations Pétrolières (GIP)** storage, transport and distribution of refined hydrocarbons.
- **Tazadit Underground Mine** search and underground mining of iron ore.
- **El Aouj Mining Company (EMC)** produces pellets for the direct reduction of iron ore from the El Aouj guelbs;
- **Mauritanian Airlines International (MAIL)** deals with the domestic, regional and international air transport.
- **Damane Assurance:** industrial insurance.
- **Mauritanienne d'Eau et d'Electricité (M2E)** execution and management of water and electricity distribution network.
- **Mauritania Saudi Mining and Steel (TAKAMUL):** produces and exports iron ore.
- **Grand Hôtel de Mauritanie (GHM):** construction and the management of hotels to cost categories.
- **Société de Remorquage Nouadhibou (SRN)** has for object the realization of activity of towing as well as any service of laminate and piloting in the port of Nouadhibou and in quite different port of Mauritania out outside.
- **AMSAGA:** The realization of geological exploration activities, and mining activities (production and exploitation)
- **Engineering and Consulting Associes (ENCO):** Strategic and operational consulting services
- **Générale de la promotion immobilière S.A (GPIM) :** Construction and property development management
- **Ecosystem Partners (ECOPART) :** Centralized subcontracting management

Presentation of the Guelb El Aouj project**(a) General presentation of EMC**

EL AOUIJ MINING COMPANY (EMC) is a joint venture owned 50/50 by SNIM (the parent company) and Sphere Minerals, an Australian company wholly owned by the Glencore group, one of the world's leaders in natural resource trading.

EMC's vision is to become a major Mauritanian mining company that creates long-term wealth for the prosperity and well-being of its shareholders, employees, and local communities. Its goal is to develop the El Aouj Project in the Tiris Zemmour region, where it holds:

- a mining operating permit valid for 30 years covering 5 Guelbs (El Aouj East, Center, and West, Tintekrat, and Bouderga),
- a water operating permit valid for 30 years covering the Touajil and Aouchich aquifers.

EMC, together with its shareholders, has carried out a large-scale exploration program across all its 5 Guelbs, focusing on Guelb El Aouj East. The program, divided into several campaigns, totaled 179,100 meters of drilling. It allowed for the evaluation of mineral reserves at 4.4 billion tons of iron ore, half of which is located at Guelb El Aouj East.

The initial objective of the joint venture between SNIM and Sphere was to introduce the pelletization process in the country. Such a process was intended to produce a better quality than that currently obtained by SNIM at Guelb El Rhein. A feasibility study was conducted in 2008 and updated in 2010. It concluded that the water and energy consumption required for this treatment was excessive.

Given the very limited water resources in the Tiris Zemmour region, EMC's Board approved in 2013 the transition from pelletization to the production of concentrate similar to that produced by SNIM, following a conceptual study conducted in 2012.

Since then, EMC has completed all necessary studies for an excellent technical and financial definition of the Project, including the Pre-Feasibility Study, Feasibility Study, Front-End Engineering Design (FEED), Environmental and Social Impact Study, and Railway Capacity Study, among others.

Following all these studies and considering the global economic situation in 2018 (decline in iron ore prices), the financial model of the Project was capped at an Internal Rate of Return (IRR) of 8.5% for an annual production of 11.3 million tons at 66.5% Fe and a total investment of \$1.372 billion. Such profitability was considered very low by the shareholders and did not justify an investment of such magnitude. The Project was then frozen in 2019.

(b) Project resumption

The year 2021 was marked by the shareholders' desire to resume the El Aouj Project, taking into account the increase in iron ore prices. This desire was realized through a change in the company's management and the shareholders' agreement to update the 2018 FEED study and mobilize the necessary financing.

Since August 2021, the EMC team has carried out all necessary operations to ensure the update of the Project and its feasibility:

- Verification and updating of the 2018 FEED technical study, relying on HATCH, in parallel with the resumption of the tenders launched in 2018 to account for price changes between 2018 and 2021. This allowed for a technically reliable and financially viable Project. The offers received in 2021 were updated in 2022, and price escalation mechanisms were incorporated into the financial model.
- Preparation and drafting of contracts for the various lots listed, relying on the English firm Fenwick & Elliot. This work was followed by legal negotiations with suppliers to develop properly formalized contracts accepted by all parties.
- Mobilization of financing relying on Société Générale as the investment bank.

(c) Financing mobilization

On one hand, the Project has initiated all necessary steps to prepare the financing application file, such as:

- Conducting a Technical Due Diligence audit of the Project by an external and independent company named SLR. SLR concluded on the technical feasibility of the Project and did not raise any technical issues.
- Conducting a Market Study (Marketing Due Diligence) of the Project by an external and independent company named CRU. CRU concluded on the feasibility of selling the future EMC product (rich concentrate) and provided its forecasts for the evolution of iron ore prices. CRU also proposed target markets, notably North Africa (Algeria and Egypt) and China.
- Updating the Environmental and Social Impact Study (EIES) by WSP. The next step is to recruit the Funders' Advisor for the EIES audit.
- Verification of contracts by a legal firm specializing in project financing to ensure the adequacy between contracts and bank requirements.
- Preparation of the Financial Model while awaiting the recruitment of the financial model auditor for the banks.

On the other hand, preliminary discussions with banks have taken place to develop a financing plan based on the actual appetite of the banks.

From these discussions, the following three points emerged:

- Firstly, multilateral banks such as IFC, DFC, the African Development Bank (AfDB), and the Islamic Development Bank (IsDB) have all shown their appetite for the Project.
- Secondly, given the provision of international equipment, Export Credit Agencies (ECA) from several countries such as the United States, Germany, and Finland have expressed interest in the project.
- Finally, there remains the possibility of contracting directly with commercial banks without ECA coverage to cover the remaining debt if necessary.

In conclusion, the preliminary analysis by SG showed an appetite of over \$1.6 billion, which far exceeds the sought debt amount of \$1.2 billion. Therefore, it can be concluded that obtaining financing for the El Aouj Project is possible, provided that the financing mobilization process continues.

(d) New partnerships

The financing mobilization process was halted during Q3 of 2023, awaiting the results of negotiations regarding shareholding between SNIM/Glencore and a potential future shareholder.

The potential arrival of this mining operator could have several advantages:

- Accelerate the launch of the Project by directly providing the necessary funds without resorting to banks.
- Reduce the construction duration from 5 years to 3 years by executing the Project under the EPCM strategy instead of DSB.
- Reduce the overall investment cost by eliminating amounts allocated to risks incurred by suppliers.

(e) Study update

At the beginning of 2024, the new partner signed a Non-Binding Term Sheet with SNIM, allowing it to initiate a review of the El Aouj Project feasibility study, pending the completion of its transaction with Glencore.

During 2024 and 2025, this partner took a redesign of the project, adopting an execution strategy structured into two distinct phases, each targeting an annual production capacity of 5.65 million tonnes.

At the same time, these two years were devoted to the negotiation of various “Term Sheets” with the new partner, as well as with SNIM. These agreements notably covered construction, production, ore transportation, and marketing of the production (offtake).

In addition, the financing mobilization process, conducted with Société Générale, continued during this period and resulted in the signing of mandate letters with two (2) major lenders, namely IFC and DFC. These mandate letters allow the institutions to commence their assessment of the financing request, with a view to concluding the corresponding agreements before the end of 2025, in parallel with the final investment decision (FID).

In the third quarter of 2025, following the finalization of technical, financial, and legal studies (Term Sheets), the concerned partner reconsidered its position regarding the El Aouj Project and decided to withdraw, thereby abandoning the contemplated transaction with Glencore for the acquisition of 50% of EMC’s shares.

As a result, the project was placed on hold by the shareholders—SNIM and Glencore—pending the conclusion of an agreement enabling SNIM to acquire all or part of Glencore’s equity stake.

(f) New Partnership Agreement

Since the beginning of 2026, a new agreement has been concluded between SNIM and Glencore for the acquisition of a significant portion of the shares held by Glencore. EMC is now owned 92% by SNIM and 8% by Glencore.

Since then, the project team has been working tirelessly to update the feasibility studies, with a view to reaching a final investment decision (FID) before the end of July.

Presentation of TAKAMUL Joint venture

The Mauritanian Saudi Mining and Steel called TAKAMUL is a joint venture (JV) owned equally between SNIM (Société Nationale Industrielle et Minière) and HADEED (SAUDI IRON AND STEEL COMPANY).

The operating permit transfer decree No. 056/2020 grants 10% of the company's capital free of charge to the Mauritanian State and with an option for additional participation in cash.

The capital structure of TAKAMUL is as follows:

- 45% of the Saudi Steel Company (HADEED)
- 45% Société Nationale Minière de Mauritanie SNIM (National Industrial and Mining Company).
- 10% Mauritanian State

The JV agreement was signed in September 2012 and the company was officially established on December 12, 2012 and registered under number 14 113 in Nouadhibou, Mauritania.

Under an agreement signed in June 2021 between SNIM and SABIC Mining, SABIC transferred all of its shares in TAKAMUL to HADEED, the subsidiary PIF (Public Investment Fund).

Mineral resources

The exploration programs carried out on the GUELBA ATOMAI deposit in 2013 (magnetite Atomai located 9 km from the town of F'DERIK in the Zouerate region in Mauritania) show that it is a magnetite deposit with reserves of the entire permit amounts to 559.9 Mt.

The project aims to produce 10 Mt per year of pellets over 22 years starting Q4 2031.

Project studies

- From 2011 to 2017 geological and mining research campaigns were carried out in accordance with the Australian JORC CODE standard.
- The Bankable Feasibility Study (BFS) was completed in July 2019 and completed in 2020 by the Canadian firm AUSENCO.
- The water search programs for social needs and the project in the LAZRAGH area are completed in 2023 and the quantities requested for exploitation have been found.
- TAKAMUL continues to collaborate with its financial advisor, Société Générale, in accordance with the contract signed between them, in order to raise and mobilize financing for the project in alignment with the partners' vision.
- The FEED (Front End Engineering Design) study, which is a crucial step to ensure the success of the subsequent phases of the project, was completed at the end of April 2024.
- The evaluation of the Project Management Consultancy (PMC) bids was completed in January 2026.

Project schedule

- Q1 2026: Final investment decision
- Q1 2029: End of project construction
- Q4 2029: Commissioning of the project
- Q4 2031: Production ramp-up

4.4 Inventories and work-in-progress

IN MMRU	31/12/2025	31/12/2024
Raw materials at weighted average cost	15 015	14 485
Goods at weighted average cost	57	52
Ore at weighted average cost	5 098	4 896
Gross value of inventories	20 170	19 433
Impairment of raw materials	(3 892)	(4 097)
Impairment of ore inventories	(3 311)	(2 932)
Total net value	12 967	12 403

Inventories are valued at the lower of weighted average cost and net realizable value.

IN MMRU	31/12/2025	31/12/2024
Raw materials at weighted average cost	15 015	14 485
Raw materials at net realizable value	11 123	10 388
Goods	57	52
Iron ore at weighted average cost	5 098	4 896
Iron ore at net realizable value	1 787	1 964
Total inventories at the lower of weighted average cost and net realizable value	12 967	12 403

The company does not practice any pledge on stocks.

4.5 Trade receivables and related accounts

Trade receivables are detailed as follows:

IN MMRU	31/12/2025	31/12/2024
Iron ore trade receivables	4 413	5 459
Receivables due from group companies	838	875
Other trade receivables	4 106	2 163
Total Gross	9 357	8 496
Impairment of Iron ore trade receivables	(12)	(12)
Impairment of Receivables due from group companies	(658)	(539)
Impairment of Other trade receivables	(251)	(251)
Total impairment	(920)	(801)
Iron ore trade receivables net	4 402	5 447
Receivables due from group companies net	180	336
Other trade receivables net	3 855	1 912
Total net value	8 436	7 696

The table for the receivables' impairment is presented as follows:

IN MMRU	31/12/2025	31/12/2024
Impairment as of 1st January	801	629
Impairment loss under IFRS 9	-	-
Additional depreciation	120	172
Impairment as of 31st December	921	801
Amount recovered from impaired receivables	6 262	7 063
Gross amounts of impaired receivables	4 944	8 496

4.6 Other receivables

The other receivables are detailed as follows:

IN MMRU	31/12/2025	31/12/2024
Trade payables – debit balances	827	4066
Personnel receivables	518	494
Trustee	114	110
Sundry receivables	122	90
Tax receivables	1 090	698
Deferred expenses	593	1089
TOTAL	3 264	6 546

- Trade payables - debit balances are related to advances granted to suppliers.
- Personnel receivables are mainly related to short-term advances granted to staff.
- Tax receivables correspond to the VAT credit to be deducted from the unique tax.
- Deferred expenses are mainly related to prepaid expenses and revenues to be received

4.7 Financial instruments: disclosure

4.7.1 Financial instruments presented in the statement of financial position

The company defines its financial assets into the following categories: assets measured at fair value through profit or loss, assets and liabilities measured at amortized cost.

Financial assets are initially recognized at fair value which generally corresponds to the price paid, and do, to the acquisition cost (including related acquisition costs, where applicable). Subsequently, financial assets are measured at fair value or at amortized cost depending on the category of financial asset they belong to.

As from 1 January 2018, financial assets are classified in the categories "financial assets measured at amortized cost", "assets measured at fair value through other comprehensive income" and "financial assets measured at fair value through net income". This classification depends on the entity's business model for managing financial assets and the contractual conditions under which it is determined whether cash flows are only the payment of principal and interest (SPPI). Financial assets with an embedded derivative are considered in their entirety to determine whether their cash flows are SPPI.

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it was acquired primarily for the purpose of resale in the short term. Derivative financial instruments are also designated as held for trading unless they qualify as hedges. They are classified as current assets.

Financial assets measured at amortized cost

Financial assets measured at amortized cost include debt instruments whose management intention is to collect contractual cash flows that correspond solely to the repayment of the nominal amount and the payment of interest on the remaining nominal amount due. At each balance sheet date, these assets are measured at amortized cost using the effective interest rate method. When there is objective evidence that the financial asset has lost all or part of its value, an impairment loss corresponding to the difference between the net carrying amount and the recoverable amount (discounting of expected cash flows at the original effective interest rate) is recognized in income. It is reversible if the recoverable amount is likely to change favorably in the future.

The main financial liabilities consist of borrowings and trade payables. The main purpose of these financial liabilities is to finance the company's operating activities.

On initial recognition, borrowings should be measured at fair value with transaction costs directly attributable to them as a result of the issuance of the liability being charged to them. Debt issue costs and premiums are not included in the initial cost but should be included in the calculation of amortized cost using the effective interest rate method and should be recognized in profit or loss on an actuarial basis over the life of the liability.

As at December 31st2025, the financial instruments included in the statement of financial position are as follows:

Breakdown by instrument category					
IN MMRU	Amortized Cost	Fair value through profit or loss	Fair value through equity	Value in the statement of financial position	Fair value
Non-current financial assets	2 310	-	-	2 310	2 310
Trade receivables and related accounts	8 436	-	-	8 436	8 436
Other receivables and related accounts	3 264	-	-	3 264	3 264
Cash and cash equivalents	39 978	7 942	-	47 920	47 920
Assets	53 988	7 942	-	61 930	61 930
Financial debts (portions over 1 year)	422	-	-	422	422
Financial debts (portions at less than 1 year)	504	-	-	504	504
Trade payables	4 911	-	-	4 911	4 911
Other payables	3 602	-	-	3 602	3 602
Liabilities	9 439	-	-	9 439	9 439

As at December 31st2024, the financial instruments included in the statement of financial position are as follows:

Breakdown by instrument category					
IN MMRU	Amortized Cost	Fair value through profit or loss	Fair value through equity	Value in the statement of financial position	Fair value
Non-current financial assets	2 041	-	-	2 041	2 041
Trade receivables and related accounts	7 696	-	-	7 696	7 696
Other receivables and related accounts	6 546	-	-	6 546	6 546
Cash and cash equivalents	36 316	12 184	-	48 500	48 500
Assets	52 599	12 184	-	64 784	64 784
Financial debts (portions over 1 year)	531	-	-	531	531
Financial debts (portions at less than 1 year)	818	-	-	818	818
Trade payables	9 033	-	-	9 033	9 033
Other payables	3 584	-	-	3 584	3 584
Liabilities	13 965	-	-	13 965	13 965

The fair value of non-current financial assets (loans, deposits) cannot be reliably determined; these items are measured at amortized cost. The fair value of trade receivables, other receivables, suppliers, and other payables cannot be reliably determined; these items are measured at amortized cost discounted at closing market price in the transaction currency.

Considering SNIM's economic environment (lack of market data required to determine a yield curve in order to estimate the market value of loans and borrowings at preferential rates), borrowings and loans are valued at amortized cost.

4.7.2 Derivative financial instruments

The company uses financial instruments such as forward hedges, commodity swaps, fair value hedges of operating cash flows, options and interest rate swaps. These derivative financial instruments should be initially recognized at fair value when the contract is negotiated and should be subsequently measured at the fair value. The derivatives must be recognized as assets when the fair value is positive and as liabilities when the fair value is negative.

Gains or losses resulting from changes in market value of hedging instruments, within the framework of a future cash flow hedges, for which the group has chosen to apply the hedge accounting, are recognized in equity at an effective hedge percentage.

When the group has chosen not to apply hedge accounting, the gains or losses resulting from the changes in market value are recognized in income statement. In accordance with IFRS 7, the fair values of financial instruments are classified according to the various valuation techniques defined as follows:

- Level 1: direct reference to prices published on an active market;
- Level 2: valuation techniques based on observable data;
- Level 3: valuation techniques based on unobservable data.

The group is using level 2 for the fair value valuation of derivative financial instruments.

Foreign currency risk:

As of December, 31st2025, financial instruments on exchange rates available at closing date are detailed below:

Hedging accounting	2025				2024			
	Fair value in MMRU	Fair value in KUSD	Nominal in thousands of EURO		Fair value in MMRU	Fair value in KUSD	Nominal in thousands of EURO	
			Bought	Sold			Bought	Sold
Foreign currency risk								
a) Cash flow hedging (CFH)								
Forward contracts in foreign currency								
Euro	14	351	43 500	-	(39)	(977)	38 500	-
Options on currency								
Euro	16	410	42 000	42 000	(27)	(686)	35 500	35 500
b) Fair value hedging (FVH)								
Forward contracts in foreign currency								
Euro	-	(3)	-	4 000	(23)	(572)	12 000	9 000
Options on currency								
Euro	(1)	(21)	12 500	12 500	(9)	(227)	4 000	4 000
c) Other operations								
Options on currency								
Euro	(7)	(184)	-	41 000	(33)	(830)	-	29 000
Total	22	552	98 000	99 500	(131)	(3 292)	90 000	77 500

Raw Material price risk:

As part of its management of financial products, SNIM may be required to negotiate products on energy commodities (Gas Oil & Fuel Oil). As of December 31, 2025, considering the market prices recorded in December 2025, the quantities to be hedged and the impossibility for SNIM to implement hedging due to the absence of counterparty, no raw material derivatives were in the portfolio at the closing date.

Interest rate risk:

As of December 31, 2025, no derivative instruments related to interest rate risk were in the portfolio.

The impact on the income statement of derivative financial instruments as of December 31st, 2025, is presented here below:

Cash-Flow Hedging in USD	Amount transferred to gains and losses during the year	Inefficiency booked in Profit
Cash-Flow Hedge		
Foreign currency hedging	1 945 013	-
Interest rate hedging	-	-
Raw Material hedging	-	-

Fair value Hedging in USD	Unrealized gains and losses on hedging instruments	Unrealized gains and losses on hedging instruments	Inefficiency booked in profit
Fair Value Hedge			
Foreign currency hedging	(5 200)	(772 500)	-
Interest rate hedging	-	-	-
Raw Material hedging	-	-	-

Non-qualifying derivative instruments for hedging	Gains and losses recognized in profit or loss
Foreign exchange hedging	(208 119)
Interest rate hedging	-
Raw material hedging	-

Hedging objective and policy:

The iron ore market is denominated in US dollars; therefore, all of SNIM's sales are made in US dollars.

Mauritania's exchange regulations prohibit any possibility of managing exchange rate risks against the national currency. SNIM is therefore exposed to foreign exchange risk against the US dollar on operating expenses denominated in third currencies (import of euros, in CAD against US dollars).

In addition, to finance its development, SNIM has contracted loans denominated in US dollars, euros, and yen from international donors.

Depending on the evolution of the US dollar against these currencies, a greater or lesser proportion of revenue will have to be allocated to debt servicing. Consequently, SNIM is indeed exposed to currency risk against the dollar for all its debt expressed in a third currency.

The company has formalized its risk management policy and its tolerance level for these risks.

Procedures for measuring the Company's exposure to currency risk (actual and forecast) have been established. These procedures have been approved by Executive Management and are reviewed annually. The Company undertakes to treat its hedging transactions with leading banks (Société Générale, BNP Paribas...).

Foreign exchange risk:

SNIM's policy for managing its exposure to foreign currency risk consists in hedging foreign currency risk on firm and estimated purchasing commitments denominated in foreign currencies. Financial instruments that have been negotiated have a lifetime corresponding to that of firm or estimated operations. Usually, financial instruments' maturities do not exceed one year.

To reach its hedging objectives, the company resorts to forward purchasing contracts or option sales on currency contracts. Usually, option sales contracts are part of an overall hedging strategy (tunnel). Derivative financial instruments are negotiated by mutual agreement with first-rated financial institutions.

The analysis of sensitivity of profit before tax (due to variation of monetary assets and liabilities' fair value) and equity (linked to variation in forward contracts' fair value) of SNIM is presented below. This analysis is based on the following assumptions: on one hand, a reasonable variation in the euro exchange rate, on the other hand, all other variables remain stable.

IN USD	Variation of EURO	Impact on profit and loss before tax	Impact on OCI
2025	10%	1 071 917	9 856 311
	(10%)	(4 177 824)	(8 717 196)

Dollar = 39,87 ouguiyas

Raw material price risk:

The company is exposed to the raw material price risk on firm and estimated operational transactions.

SNIM's policy is to hedge against exposure to these risks. In order to reach its hedging objectives, the company resorts to purchase and selling contracts on raw material options or on swap contracts. Some selling contracts are part of a global hedging strategy. Management of this risk is spread over less than a year.

The analysis of the sensitivity of SNIM's profit before tax (due to variations in the fair value of the monetary assets and liabilities) and equity (linked to variations in the fair value of the swaps) gives a reasonable variation of the raw materials exchange rate, as all other variables remain stable.

As of December 31st, 2025, the company did not have any raw material coverage. Therefore, no sensitivity test has been performed.

Interest rate risk:

SNIM has obtained important funding for the realization of the Development and Modernization Program (DMP).

These funding are indexed on variable rates (libor). Therefore, the company is exposed to a financial risk related to the increase of interest rates.

SNIM's policy is to hedge the risks related to interest rates fluctuations on its floating rate debt on a 5-year management horizon.

To reach its hedging objectives, the company resorts to interest-rate derivative instruments, signs interest swaps and conditional financial instruments (caps, floors and collars).

To limit the effect of the dollar rate increase on its financial instruments, SNIM decided to implement a hedging policy, aimed at guaranteeing a maximum income rate.

As of December 31, 2025, the company did not hold any interest-rate hedging instruments for the life business, consequently, no interest-rate sensitivity analysis was made.

Credit risk:

SNIM maintains commercial relations exclusively with reliable third parties.

Most of the client portfolio is constituted by iron ore customers whose terms of payments require a 90% advance at order and the remaining 10% within 24 days after delivery. Thus, for those clients, there exists no risk of credit. For the other customer, trade receivables are not material, and a credit risk analysis is performed regularly to adapt the possible depreciation on receivables. The maximum exposure is equal to the book value mentioned in **Note 4.5**

Regarding the credit risk on other financial assets, i.e., cash and cash equivalents, financial assets available for sale, loans and certain derivative instruments, SNIM's exposure is due to a potential failure of the third party with the maximum exposure not exceeding the accounting value of those instruments.

Liquidity risk:

SNIM controls its liquidity risk based on a projected financial investment maturity and an estimated cash flow generated by operational activities.

To further reduce the risk of liquidity, 50% of loans contracted by SNIM are placed under trustees. The trustee system consists of deducting an amount from monthly sales until maturity is set three months in advance and can only be used for the repayment of these loans.

As of December 31st, 2025, 55% of SNIM's debts are due in less than one year, compared with 61% in 2024.

Maturity:

The table below shows the maturity of the financial liabilities as of December 31st2025, based on contractual payments not discounted. The principal considers only the debt drawn by the company as of December 31st2025. Similarly, interest expenses reflect the interests of the company totally drawn as of December 31st2025.

Therefore, future withdrawals of the debt of Financing agreements and corresponding interest expenses are not considered in the preparation of this table of maturity.

The following table shows the debt maturity schedule year by year:

Year	2026	2027	2028	2029	2030	2031
Principal	504	118	103	88	66	44
Interest	51	30	22	15	7	2
TOTAL	555	149	126	103	73	45
		TOTAL				
Principal		924				
Interest		127				
TOTAL		1 050				

4.8 Cash and cash equivalents

IN MMRU	31/12/2025	31/12/2024
Cash	7 942	12 184
Cash equivalents	39 978	36 316
TOTAL	47 920	48 500

Cash and cash equivalents include cash at bank and cash in hand.

Cash equivalents are short-term deposits with an original maturity of less than three months, liquid and immediately convertible.

4.9 Equity

In 2013 the company's issued capital increased by 170,520,000,000 MRO (Equivalent to 17 052 000 000 MRU) by capitalization of available reserves to bring it up to 182 700 000 000 MRO (18 270 000 000 MRU), i.e., 18,270,000 shares each with a nominal value of 1000 MRU each. The capital is called up and paid up in full.

Capital does not comprise any share with favorable voting right. The share capital structure is presented as follows:

IN MRU	31/12/2025	31/12/2024	(%)
Mauritanian State	14 314 545 000	14 314 545 000	78,35%
Kuwait Investment Authority	1 309 800 000	1 309 800 000	7,17%
Arab Mining Company	1 034 685 000	1 034 685 000	5,66%
Iraki Fund for External Development	838 230 000	838 230 000	4,59%
Office National des Hydrocarbures	419 250 000	419 250 000	2,30%
Islamic Development Bank	327 450 000	327 450 000	1,79%
Private shareholders	26 040 000	26 040 000	0,14%
TOTAL	18 270 000 000	18 270 000 000	100%

Premiums arising from shares issuance relate to previous capital increases and amount to 646 MMRU.

As of December 31st, 2025, the legal reserve amounts to 1 827 MMRU, representing 10% of the equity.

4.10 Financial debts

4.10.1 Loans within the scope of trustee agreement

These loans are covered by a trust agreement signed on July 7, 1980 between the company, sponsors, the government of the Islamic Republic of Mauritania, the Société Générale bank (to encourage the development of trade and industry in France) and the Law Debenture Trust Corporation. According to this agreement the latter was appointed as "Trustee", and regular credit transfers to the trust account would serve to make the half-yearly repayments to the sponsors.

Furthermore, another agreement was concluded on July 7, 1980 between the company, sponsors, Mauritania Central bank and the Société Générale bank. Under this agreement, through which a debit account would be opened with the Société Générale to receive all cash from sales of ore, the Société Générale would make the necessary transfers to the "Trustee" to enable the latter to meet the provisions stipulated in the Trust Agreement referred to above.

The Trust account referred to above has a debit balance of 114 MMRU as of December 31, 2025 against 110 MMRU as of December 31, 2024. It is charged to the "Trustee" item (Note 4.6 Section Other debtors)

The debts under trustees are as follows:

IN MMRU	Currency	Interest rate	Maturity	31/12/2025	31/12/2024
DRAGAGE					
BAD DRG	USD	VAR	2 030	199	307
BEI DRG	USD	VAR	2 031	263	243
Subtotal				463	550

4.10.2 Loans outside the scope of the trustee agreement

These loans relate to mining projects that are not included in the trustee agreement. Repayments are made directly to lenders and are detailed as follows:

IN MMRU	Currency	Interest Rate	Maturity	31/12/2025	31/12/2024
Deposit				2	2
FADES	KWD	Fixed	2 049	-	170
Subtotal				2	172

4.10.3 Rescheduled Debts

In the context of the 8th club of Paris which met on July 8, 2002 and following the bilateral agreement between the government of the French Republic and the government of the Islamic Republic of Mauritania signed on May 26, 2003, the French debt that was rescheduled under agreements III, IV, V and VI, was cancelled for the benefit of the Mauritanian Islamic Republic, within the framework of PPTE initiative.

Rescheduled debt of SNIM concerning these concessions, was reorganized by an agreement signed between the Ministry of Finance and SNIM dated August 21, 2003. This protocol defines the payment terms to the Mauritanian state of the debt initially due by SNIM to the Bank of France and Coface.

The total amount of this treaty (Agreement 8) is EUR 15,235,989.75, which represents interest accumulated from June 30, 2002 to June 30, 2019 for agreements III, IV, V and VI, including EUR 12,763,021.30 of principal amount (corresponding to the non-repaid amount on these agreements) and EUR 2,472,968.44 of interest.

The outstanding balance for this agreement amounts to 117 MMRU as at December 31st, 2025 and as at December 31st, 2024.

IN MMRU	Currency	Interest Rate	Maturity	31/12/2025	31/12/2024
Rescheduled maturities on French debt					
Accord 8	EUR	3,00%	2 019	117	117
Subtotal				117	117

4.10.4 Reassigned debt

Within the framework of the ACP / EEC convention signed in Lomé on December 8, 1984 and the indicative program of EEC aid to Mauritania, the EEC granted the Mauritanian State a loan of 18 million Euros for the financing of the SNIM Rehabilitation project subject to convention n ° 4122 / MAU of July 19, 1988 (SYSMIN I). The agreement provides for the repayment of this loan over 30 years after 10 years of grace.

In this same program, the European Union also granted the Mauritanian State a subsidy of 45 million euros by agreement No. 6589 / MAU (SYSMIN III) dated February 7, 2003, the agreement provides for the retrocession of the subsidy in the form of a loan to SNIM for the renewal of the mineral port of Nouadhibou. SNIM used 34.14 million euros. As part of this retrocession, a tripartite agreement between the European Union, the Mauritanian Government and SNIM defining the terms of the retrocession and repayment of the loan is signed on March 14, 2023.

The Company had undertaken, in the contracts of most of the afore-mentioned loans, to respect certain conditions, including the payment of sums due when they fall due.

IN MMRU	Currency	Interest rate	Maturity	31/12/2025	31/12/2024
European Economic Community (Sysmin 1)	EUR	0,50%	2 028	344	333
FED/03/EUR	EUR	Var.		-	177
Subtotal				344	510
TOTAL LOANS				926	1 349
Loans maturing in less than one year				504	818
Long and mid-term loans				422	531

Loans maturing in less than one year comprise the part of loans that will be paid within the twelve coming months.

The table of changes in financial debts between December 31st, 2025, and December 31st,2024 is as follows:

IN MMRU	31/12/2024	Cash movements	FX	Transfer	31/12/2025
Long and mid-term loans	531	-	-	(109)	422
Loans maturing in less than one year	818	(452)	29	109	504
TOTAL financial debts	1 349	(452)	29	-	926

The status of the Financing Agreements is as follows:

Project	Lender	Engagement currency	Rate	Maturity	Total (Millions)	Drawn (Millions)	Undrawn (Millions)
Usine G1	FADES	KWD	Fixed	2 049	32	2	30
DRAG	BEI	USD	Var	2 031	10	10	-
DRAG	BAD	USD	Var	2 030	10	10	-

4.11 Retirement benefit obligation

IN MMRU	31.12.2024	Allowance	Reversals	31.12.2025
Provisions for retirement indemnities	4 759	580	(938) *	4 401
Provisions for additional retirement	3 028	348	(96)	3 280
TOTAL	7 787	928	(1 034)	7 681

*Including 785 MMRU increase in retirement benefits mainly related to changes in experience difference and recognized in other comprehensive income.

Description of the defined benefit plan:

Description and evaluation method:

A benefit is provided to employees when they retire, depending on:

- Their salary when they leave the company.
- The employee's length of service in the company.

Note that this benefit is provided without any condition of the employee's presence within the company at retirement date.

The benefits defined plans by SNIM are not covered by investments.

The benefit schemes defined by the SNIM are not covered by the investments.

The liability was determined using the actuarial method of projected units of credit.

This method consists of valuing the commitment on the basis of the projected salary at the end of the career and the rights acquired at the valuation date.

The method used to recognize actuarial gains and losses is recorded in equity.

Actuarial assumption:

ASSUMPTIONS for the period ended as of	31/12/2024	31/12/2025
Beginning of the period	01 January 2024	01 January 2025
End of the period	31 December 2024	31 December 2025
Actuarial rate	4.94%	5.02%

Assumptions	Applied Assumptions
Age of retirement	63 year
Future salary increase	Over 45 years : 9% 45 years and below : 12%
Actual rate of return	5.02%
Death rate	INSEE H 2016-2018
Exit rate	Decreasing and zero curve from age 50

Variation in benefit obligation:

IN MMRU	31/12/2024	31/12/2025
Benefit obligation at the beginning of the period	4 230	4 759
Current service cost	292	329
Interest cost	223	251
Actuarial (gains) losses	151	(785)
<i>of which changes in assumptions</i>	-	(163)
<i>of which experience differences</i>	151	(622)
Benefits paid	(136)	(153)
Benefit obligation at the end of the period	4 759	4 401

Actuarial cost for the year:

IN MMRU	31/12/2024	31/12/2025
Current service cost	292	329
Interest on debt	223	251
Expenses	515	580

Description of the defined contribution plan:

SNIM agents of Mauritanian nationality on permanent contracts in force after 2011 receive an indemnity upon retirement, death or redundancy at the initiative of the company, which is equal to one hundred twentieths:

- The 10% employer contribution and the 7% employee contribution based on the reference salary
- The income from the investment of the employer and employee contributions
- The prior service cost borne by SNIM (10% of the reference salary)
- The reference salary is the base salary plus the seniority bonus

In other cases, only the employee contributions and the income from the investment of the employee contributions are paid to the employee.

4.12 Provisions

These provisions are detailed as follow:

IN MMRU	31/12/2024	Allowance	Reversals	31/12/2025
Contingency provision	493	273	(119)	647
TOTAL	493	273	(119)	647

4.13 Trade payables

Trade payables are detailed as follows:

IN MMRU	31/12/2025	31/12/2024
Trade payables	3 751	8 362
Accrued payables	1 161	671
TOTAL	4 911	9 033

4.14 State and other public taxes

State and other public taxes are detailed as follows:

IN MMRU	31/12/2025	31/12/2024
Current Tax Income	2 104	1 699
Taxes on wages and salaries	935	842
Other taxes	17	36
TOTAL	3 055	2 577

SNIM has a specific regime. An agreement was signed on December 23, 1998, between the Mauritanian Government – represented by the Ministry of Finance and the Ministry of Industry and Mines - and the company, for a period of 20 years starting on January 1, 1999. This agreement ensures SNIM's autonomy for management and importation.

On March 27, 2018, the National Assembly ratified the renewal of the special agreement for an additional 20 years starting January 1, 2019

The single tax includes all taxes payable on profits for the financial year. Under the special agreement with the State, SNIM is liable for the single tax, by which it pays the State an annual royalty equal to 9% of FOB revenue from the export of iron ore.

The special agreement was the subject of an amendment signed in December 2008 on the basis of the single tax. Under this agreement, the single tax is equal to 9% of FOB revenue from the export of iron ore increased by demurrage.

There is no need to recognize deferred taxes, as there is no difference between the carrying amounts of assets and liabilities on the statement of financial position. SNIM also pays an annual lump sum of 8 million ouguiyas representing the totality of the taxation of tax compensation and benefits in kind granted by SNIM to its employees.

Single tax advances and VAT credit are offset against the Single Tax because the due dates of the Single Tax and VAT credit are similar, and these amounts are recovered or paid by the same administration and there is a legal right of set-off.

SNIM is exempted from all customs duty and assimilates taxes of all kinds related to goods, equipment, services, and exploration of sources of ore and water by the convention signed with Mauritanian government. SNIM is also exempted from all customs and assimilated taxes on materials, consumables and goods imported by companies and subcontractors, which are dedicated to SNIM.

Clause N°1 was added to this convention on June 19, 2001, concerning VAT and subjugation of SNIM to this tax. Consequently, SNIM is subject to VAT on goods and services that are not in correlation with industrial and mining exploitation.

4.15 Other payables

Other payables are detailed as follows:

IN MMRU	31/12/2025	31/12/2024
Payroll expenses and related costs	575	509
Dividends payable	23	21
Sundry payables and pre-payments	2 997	3 053
TOTAL	3 595	3 584

Sundry payables and prepayments are detailed as follows:

IN MMRU	31/12/2025	31/12/2024
Credit customers	1 382	1 382
Accrued expenses	887	848
Investment of subsidiaries	276	276
Accrued expenses on borrowings	22	24
Remaining payment on the capital increase	134	159
Marking taxes	232	220
Social security contributions	44	139
Accruals and deferred income	21	5
TOTAL	2 997	3 053

5- ADDITIONAL INFORMATION RELATING TO THE INCOME STATEMENT**5.1 Sales**

The production sold represents the sales of iron ore for the sum of 46 639 MMRU (1 172 297 502 USD) for 2024 financial year (net of demurrage).

Sales are made in FOB (Free on Board) and are recorded at the time of the transfer of control, which corresponds to the loading of the ore in Nouadhibou Port. Almost all iron ore sales are made to various Western European countries, China and Africa. Three customers (GLENCORE, TOSYALI IRON STEEL INDUSTRY et CARGIL) accounted for 70% of the total revenue in 2025.

The breakdown by countries is as follows:

In MMRU	2025	2024
China	27 165	28 203
Algeria	9 993	5 959
Italy	3 323	3 949
Australia	3 232	1 750
Germany	957	2 815
England	921	1 073
Japan	713	777
Other	335	1 147
TOTAL	46 639	45 673

5.2 Revenue from ancillary business activities

Other revenue from ancillary business activities is detailed as follows:

IN MMRU	2025	2024
Rents, material disposal, telecom	439	406
Rental of buildings and equipment	12	11
Other services	2	1
Supply of personnel	257	324
Disposals	3	2
TOTAL	712	744

5.3 Raw materials and consumables

Raw materials and consumables are detailed as follows:

IN MMRU	2025	2024
Consumables used	16 945	16 475
Maintenance products	33	24
Supplies	120	136
Water and electricity	58	69
Materials & supplies	46	28
TOTAL	17 202	16 732

The increase in materials consumed is mainly attributable to higher consumption of special requirements “BEX” and significant repair activities related to the refurbishment of mining equipment during 2025.

5.4 Other operating income

Other operating income are detailed as follow:

IN MMRU	2025	2024
Discounts, rebates and refunds obtained	80	11
Products and Profits	13	27
TOTAL	93	38

5.5 Personnel expenses

The personnel expenses heading is as follows:

IN MMRU	2025	2024
Wages	7 851	7 265
Social charges	739	575
Provision for retirement indemnities	580	689
Complementary pension schemes	(2)	151
TOTAL	9 168	8 680

The increase in personnel costs is mainly explained by:

- Increase in staff
- Increase in bonuses and gratuities.
- Increase in overtime

The evolution of the company's headcount by category is as follows:

Category	2025	2024
Executives	449	454
Supervisory staff	3 667	3 606
Workers	2 586	2 589
TOTAL	6 702	6 649

The average workforce is calculated based on the present number of employees working for the company at the end of each month.

5.6 Depreciation, amortization, and provision

Depreciation, amortization, and provision are detailed as follows:

IN MMRU	2025	2024
Depreciation of property, plant and equipment	6 839	5 775
Amortization of intangible assets	17	15
Impairment of financial assets	339	76
Depreciation of inventories	379	327
Depreciation and accrual for accounts receivable	120	172
Other depreciation	273	74
Reversals / provisions	(463)	(826)
TOTAL	7 504	5 612

The increase in depreciation and provisions is mainly explained by

- An increase in Depreciation expense related to the reclassification of assets under construction in 2025, for a total of 627 MMRU
- An impairment provision was recognized on equity investments in subsidiaries for an amount of 339 MMRU

5.7 Taxes

Taxes are detailed as follows:

IN MMRU	2025	2024
Tax on benefit	8	16
Other taxes	22	297
TOTAL	30	313

5.8 Other operating expenses

The other operating expenses are detailed as follows:

IN MMRU	2025	2024
Expenses related to investment (1)	2 614	2 129
Expenses related to operations (2)	576	506
Other Charges (3)	1 093	1 051
TOTAL	4 283	3 686

(1) The investment-related expenses relate mainly to repair and maintenance costs, insurance and the costs of studies and technical assistance.

(2) Expenses related to the operations concern mainly the assignment expenses, fees, telephone, ore analysis and bank charges.

(3) Other Charges are related to donations, grants, budget of the SNIM foundation, fines, penalties and slowdown of stock.

5.9 Financial income

Financial incomes are detailed as follows:

IN MMRU	2025	2024
Interest and related income	1 744	2 215
Income on financial instrument	162	119
Other financial income	-	(2)
TOTAL	1 906	2 332

5.10 Financial expenses

Financial Expenses are detailed as follows:

IN MMRU	2025	2024
Interest and related charges	62	85
Charges on financial instruments	3	67
TOTAL	64	152

5.11 Earnings per share

Earnings per share are detailed as follows:

IN MMRU	2025	2024
Net income in million Ouguiyas	8 031	10 631
Total number of shares	18 270 000	18 270 000
Earnings per share IN MMRU	440	582

SNIM's capital does not include any preferential or potential ordinary shares as of December 31st, 2025. Thus, earnings per share are equal to diluted earnings per share.

The amount of dividends recognized for the 2025 financial year totals **6,081 MMRU**, of which **5,315 MMRU** relates to distributions to equity holders per share.

6- ADDITIONAL INFORMATION RELATED TO THE STATEMENT OF CASH FLOWS**6.1 Restatement of amortizations and provisions**

IN MMRU	2025	2024
Amortization of property, plant and equipment	6 839	5 775
Amortization of intangible assets	17	15
Amortization of financial assets	339	76
Allocation to provisions (risks & charges + Pensions)	853	665
Losses of fixed assets	-	80
TOTAL	8 049	6 611

6.2 Changes in working capital

IN MMRU	2025	2024
Decrease (Increase) in inventories	(563)	(2 530)
Decrease (Increase) in trade receivables	(740)	1 521
Decrease (Increase) in other receivables	50	(275)
Increase (Decrease) in trade payables	46	323
Increase (Decrease) State and other local authorities	67	63
Increase (Decrease) in other payables	12	(9)
CHANGE IN WORKING CAPITAL	(1 129)	(907)

6.3 Expenditures on fixed assets

IN MMRU	2025	2024
Acquisition of property, plant & equipment	(7 609)	(6 690)
Acquisition of intangible assets	(1)	(28)
Acquisition of Financial assets	(755)	(491)
TOTAL ACQUISITIONS	(8 366)	(7 209)

6.4 Reversal of depreciations and provisions

IN MMRU	2025	2024
Capitalized production	(1 010)	(670)
Reversal of depreciations and provisions	(410)	(441)
TOTAL	(1 420)	(1 111)

6.5 Foreign exchange gains and losses

IN MMRU	2025	2024
FX gains / loss on loans	29	(7)
Other comprehensive income	104	560
TOTAL	133	553

6.6 Net Cash

IN MMRU	2025	2024
Cash equivalents	7 942	12 184
Cash	39 978	36 316
Net Cash	47 920	48 500

7- OTHER COMMITMENTS AND LIABILITIES

Off balance sheet commitments are detailed as follows:

IN MMRU	31/12/2025	31/12/2024
Documentary credits in progress	1 085	2 491
Commitments on contracts	47	-
Sub-Total Commitments Given	1 132	2 491
Guarantees received from contractors	175	500
Balances of undisbursed funds	14 855	3 833
Sub-Total Commitments Received	15 030	4 333
Total	16 162	6 824

8- RELATED PARTIES DISCLOSURE

Transactions with related parties are not significant. They mainly include disposal of materials and fuel and workshop services.

The following table summarizes the main intergroup services invoiced in 2025 in MMRU:

Purchases														
Sales	SUBSIDIARIES	ATTM	COMECA	SAMMA	SAMIA	SOMASERT	GMM	SAFA	GIP	M2E	GHM	GPIM	SNIM	TOTALS
	ATTM	-	-	-	-	-	-	-	-	-	-	-	231	231
	COMECA	2	-	-	-	-	0	0	18	-	-	-	447	467
	SAMMA	-	2	-	-	3	-	0	-	-	3	-	52	60
	SAMIA	-	-	-	-	-	-	-	-	-	-	-	-	0
	SOMASERT	2	4	2	0	-	0	1	1	1	0	0	100	111
	GMM	-	-	-	-	-	-	-	-	-	-	-	0	0
	SAFA	0	2	-	0	-	0	-	-	-	-	-	207	209
	GIP	-	-	-	-	-	-	-	-	-	-	-	82	82
	GPIM	-	-	-	-	-	-	-	-	-	-	-	1	1
	M2E	-	-	-	-	3	-	-	-	-	-	-	17	20
	SNIM	71	55	9	20	9	7	19	12	104	7	4	-	317
	TOTALS	75	63	11	20	15	7	20	31	105	10	4	1137	1498

The information relating to the remuneration of the managers of the subsidiaries is not disclosed for reasons of confidentiality.

9- EVENTS AFTER THE REPORTING PERIOD

The financial statements have been approved and authorized by the Executive Board on **April 28th, 2026**. They don't reflect the occurrence of subsequent events after this date. No significant event directly affecting the company has occurred after closing date.