

**Société Nationale Industrielle et Minière  
SNIM**

Year ended December 31, 2024

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

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## Société Nationale Industrielle et Minière SNIM

Year ended December 31, 2024

### Statutory auditor's and independent auditor's report on the consolidated financial statements

To the President,

#### *Opinion*

We have audited the consolidated financial statements of SNIM and its subsidiaries (the Group), which comprise a statement of financial position as at December 31, 2024, as well as the income statement, statement of changes in equity and cash flow statement for year ended December 31, 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU.

#### *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 Group 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 consolidated 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 Consolidated Financial Statements***

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

In preparing the consolidated financial statements, Management is responsible for assessing the 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 Group's financial reporting process.

## ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 30, 2025

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**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED ON DECEMBRE 31<sup>st</sup>, 2024**

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**SNIM**  
**STATEMENT OF CONSOLIDATED FINANCIAL POSITION**  
**As of December 31st, 2024**

IN MMRU	Note	31/12/2024	31/12/2023
<b>Non-current assets</b>		<b>77 867</b>	<b>74 073</b>
Property, Plant & Equipment	5.1	72 241	68 789
Intangible assets	5.2	262	262
Non-current financial assets	5.3	2 129	2 047
Investment in associates	5.3	1 620	536
Equity-accounted securities	5.3	1 593	2 420
Deferred tax assets		22	18
<b>Current assets</b>		<b>79 178</b>	<b>76 849</b>
Inventories and work in progress	5.4	12 749	10 319
Trade receivables	5.5	8 640	10 170
Other receivables	5.6	8 317	6 621
Current financial assets	5.7	19	49
Cash and cash equivalents	5.8	49 452	49 690
<b>TOTAL ASSETS</b>		<b>157 045</b>	<b>150 922</b>

IN MMRU	Note	31/12/2024	31/12/2023
<b>Equity and Reserves</b>		<b>126 936</b>	<b>123 450</b>
Issued Capital	5.9	18 270	18 270
Share premium		646	646
Legal reserves		1 827	1 827
Other comprehensive income	5.7-5.11	7 069	6 672
<b>Accumulated profits</b>		<b>99 124</b>	<b>96 035</b>
Retained earnings		88 529	80 298
Profit (Loss) of the year		10 595	15 736
<b>Minority shareholders interest</b>		<b>1 133</b>	<b>1 164</b>
<b>Non-current liabilities</b>		<b>9 999</b>	<b>9 708</b>
Financial debts (portions over 1 year)	5.10	1 538	1 735
Retirement benefit obligations	5.11	7 951	7 167
Provisions	5.12	510	806
<b>Current liabilities</b>		<b>18 977</b>	<b>16 601</b>
Financial debts (portions at less than 1 year)	5.10	1 168	925
Trade payables	5.13	9 712	6 943
State and other public taxes	5.14	2 926	3 265
Other payables	5.15	4 568	5 049
Current cash liabilities	5.8	452	401
Forward contracts	5.7	151	17
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>157 045</b>	<b>150 922</b>

**SNIM**  
**CONSOLIDATED INCOME STATEMENT**  
**Period of 12 months ended on December 31<sup>st</sup>, 2024**

IN MMRU	Note	31/12/2024	31/12/2023
<b>Sales</b>	<b>6.1</b>	48 147	52 270
Revenue from ancillary business activities	<b>6.2</b>	501	512
<b>Revenue</b>		<b>48 648</b>	<b>52 782</b>
Changes in inventory of finished goods and work-in-progress		496	265
Capitalized production		670	677
Raw materials and consumables used	<b>6.3</b>	(17 905)	(16 309)
<b>Gross Profit</b>		<b>31 908</b>	<b>37 416</b>
Other operating income	<b>6.4</b>	124	466
Personnel expenses	<b>6.5</b>	(9 202)	(8 130)
Depreciation, amortization, and provision expenses	<b>6.6</b>	(5 763)	(7 389)
Taxes and duties	<b>6.7</b>	(389)	(165)
Other operating expenses	<b>6.8</b>	(3 877)	(3 628)
<b>Operating income</b>		<b>12 801</b>	<b>18 570</b>
Financial income	<b>6.9</b>	2 237	2 086
Financial expenses	<b>6.10</b>	(253)	(221)
Share of profits (loss) of equity accounted affiliates		29	(63)
<b>Profit before tax</b>		<b>14 814</b>	<b>20 372</b>
Current income tax		(4 213)	(4 569)
<b>Net result of the year</b>		<b>10 601</b>	<b>15 776</b>
<b>Attributable to minority interest</b>		<b>7</b>	<b>40</b>

**SNIM**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**Period of 12 months ended on December 31<sup>st</sup>, 2024**

IN MMRU	31/12/2024	31/12/2023
Net result of the year	10 601	15 776
Other comprehensive income	397	658
<b>Comprehensive income</b>	<b>10 999</b>	<b>16 434</b>

**SNIM**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**Period of 12 months ended on December 31<sup>st</sup>, 2024**

IN MMRU	Note	31/12/2024	31/12/2023
<b><i>Operating activities</i></b>			
Income before tax		14 814	20 372
Amortization, depreciation and provision	7.1	6 964	8 311
Reversal of amortization, depreciation and provisions	7.4	(1 139)	(1 084)
Gains /losses on asset sales		-	(1)
Gains /losses on exchange	7.5	553	633
Investment income		(2 215)	(2 014)
Financial expenses		74	103
Share of equity-accounted securities		(29)	63
Changes in working capital	7.2	(277)	(1 399)
<b>Cash flow generated from operating activities</b>		<b>18 744</b>	<b>24 984</b>
Interest paid		(76)	(101)
Income tax paid		(4 725)	(3 612)
<b>Net cash flow from operating activities</b>		<b>13 943</b>	<b>21 271</b>
<b><i>Investing activities</i></b>			
Acquisition of fixed assets	7.3	(8 674)	(11 493)
Proceeds from sale of equipment		1	2
Loan repayment		6	6
Interest received		2 215	2 014
Dividends received		(0)	-
<b>Net cash flow used for investing activities</b>		<b>(6 452)</b>	<b>(9 471)</b>
<b><i>Financing activities</i></b>			
Increase of capital		-	334
Proceed from long-term borrowings		152	118
Other financial Proceeds		311	241
Payments on long-term borrowings		(645)	(300)
Other financial payments		(86)	(50)
Dividends paid		(7 511)	(7 903)
<b>Net cash flow used for financing activities</b>		<b>(7 780)</b>	<b>(7 561)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(289)</b>	<b>4 239</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>49 289</b>	<b>45 050</b>
<b>Cash and cash equivalents at the end of the period</b>	7.6	<b>49 000</b>	<b>49 289</b>

**SNIM**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**As of December 31<sup>st</sup>, 2024**

IN MMRU	Issued Capital	Share premium	Legal reserves	Other Comprehensive Income	Accumulated profits	Total	Minority interest
<b>Shareholders' equity as of January 1st, 2023</b>	<b>18 270</b>	<b>646</b>	<b>1 827</b>	<b>6 014</b>	<b>88 178</b>	<b>114 936</b>	<b>838</b>
Increase in capital	-	-	-	-	-	-	334
Revaluation of financial instruments	-	-	-	(37)	-	(37)	-
Revaluation for pension plans	-	-	-	(1 772)	-	(1 772)	-
Exchange difference on conversion into the reporting currency	-	-	-	2 467	-	2 467	-
Net result of the period	-	-	-	-	15 736	15 736	40
Dividends	-	-	-	-	(7 880)	(7 880)	(48)
<b>Shareholders' equity as of January 1st, 2024</b>	<b>18 270</b>	<b>646</b>	<b>1 827</b>	<b>6 672</b>	<b>96 034</b>	<b>123 450</b>	<b>1 164</b>
Increase in capital	-	-	-	-	-	-	-
Revaluation of financial instruments	-	-	-	(107)	-	(107)	-
Revaluation for pension plans	-	-	-	(151) *	-	(151)	-
Exchange difference on conversion into the reporting currency	-	-	-	655**	-	655	-
Net result of the period	-	-	-	-	10 595	10 595	7
Other	-	-	-	-	(21)	(21)	-
Dividends	-	-	-	-	(7 485)	(7 485)	(38)
<b>Shareholders' equity as of December 31st, 2024</b>	<b>18 270</b>	<b>646</b>	<b>1 827</b>	<b>7 069</b>	<b>99 123</b>	<b>126 936</b>	<b>1 133</b>

\*151 MMRU increase in retirement benefits related to changes in experiences accounted for in other comprehensive income.

\*\*655 MMRU of exchange difference on the conversion into the presentation currency resulting from an exchange gain of 4,987 MMRU and an exchange loss of 4,331 MMRU, recognized in other comprehensive income

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As of December 31<sup>st</sup>,2024**

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended December 31st, 2024, were authorized for issuance in accordance with Board of Directors resolution on **April 29<sup>th</sup>, 2025**.

### 1- MAIN EVENTS OF THE YEAR 2024

The financial year 2024 has been marked by the following events:

- Mineral sales amount to 45.7 billion MRU (1.2 billion USD), in decrease by 9% compared to 2023, due to the decline in iron ore prices.
- Sales volume amounts to 14.2 million tons, up 1% compared to 2023.
- Development of a new strategic plan (2024–2025) for the iron value chain, with implementation starting in 2024.
- Authorization for investments of 457 MUSD (~18,147 billion MRU) for the extension of the railway as part of “El AOUI” and “TAKUMUL” projects.

### 2- PURPOSE AND ACTIVITIES OF THE GROUP

The SNIM group is composed of 17 companies operating in various sectors, mainly: Marble and granite quarries, foundry, mechanical manufacturing, transport and maintenance, tourism, and hospitality, stevedoring and handling, distribution of hydrocarbons, research, and underground exploitation of iron ore deposits.

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

The parent 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 of January 1<sup>st</sup>, 2024

The consolidated financial statements as of December 31st, 2024, 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, 2024.



**New, Revised or Amended IFRSs that must be applied from January 1, 2024**

The following IFRS standards and IFRIC interpretations that came into force on or after January 1, 2024, did not have an impact on the consolidated financial statements of SNIM group.

Standards	Topics
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	“Non-current Liabilities with Covenants”
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback – Amendments
Amendments to IAS 7 and IFRS 7	Disclosures: Supplier Finance Arrangements - Amendments
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules

**New, Revised or Amended IFRSs not yet mandatory as of December 31<sup>st</sup>, 2024**

IFRS standards and IFRIC interpretations published by the IASB but not yet effective are not expected to have a material impact on the consolidated financial statements of SNIM group.

Standards	Topics	Effective date
Amendments to IAS 21	Lack of exchangeability	January 1 <sup>st</sup> , 2025
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1 <sup>st</sup> , 2026
Amendments to IFRS 9 and IFRS 7	Power Purchase Agreements	January 1 <sup>st</sup> , 2026

**3.1.2 Applicable standards**

The principles used are based on the historical cost method and the accrual method, except for (1) derivative financial instruments and (2) revalued fixed asset categories, which are measured at fair value. The carrying amount of assets and liabilities that are subject to fair value hedging is adjusted for changes in fair value attributable to the hedged risks.

The consolidated financial statements are presented and valued in ouguiyas. All tables and notes are presented in (MMRU). The income statement is presented by nature.

The items of the statement of financial position are presented according to the classification of current and non-current assets, current and non-current liabilities.

Assets held for sale or consumed during the Group's normal operating cycle as well as cash and cash equivalents constitute the Group's current assets. Other assets are non-current assets.

Debts falling due during the Group's normal operating cycle or within twelve months of the end of the financial year constitute current debts. Other liabilities are non-current.

In the preparation of the consolidated financial statements and in accordance with international accounting principles, the measurement of certain balances in the statement of financial position and the income statement requires Group management to make several estimates or judgments and assumptions that affect the reported amounts of assets and liabilities and income and expenses. These estimates or assessments and assumptions are based on information or situations existing at the date of preparation of the financial statements, which may differ from reality in the future.

**3.2 Consolidation basis**

Companies controlled exclusively by the group, either by right (direct or indirect ownership of the majority of the voting rights), contractual or facto (management of financial and operational operations over a long period of time), are consolidated through global integration. Thus, accounts are all integrated at 100%, with deduction of minority interests.

Companies jointly controlled by the group are consolidated through equity method.

Companies which are not subject to exclusive control from the group but on which the group has significant influence are consolidated through equity method if the percentage of control exceeds 20 %.

The Group holds a participation in a joint venture. A joint venture is the result of a contractual agreement, under which two parties or more agree to carry on an economic activity under joint control. An entity under joint control is a joint venture resulting in the creation of a separate entity in which each Co-entrepreneur holds an interest. The Group accounts its participation in jointly controlled entities using the equity method.

Under this method, the investment is initially recognized at cost and is subsequently adjusted for post-acquisition changes in the Group's share of net assets held. The income statement reflects the Group's share of the joint venture's results. Gains and losses arising from transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture.

### **3.2.1. Transactions eliminated on consolidation**

The balances of intercompany receivables and payables, income, and expenses as of December 31, 2024, as well as intercompany transactions such as dividend payments, capital gains and losses on disposals, and additions to or reversals of provisions for impairment of consolidated shares or loans to Group companies, are eliminated in view of their impact on income. Internal margins on inventories are also eliminated.

### **3.2.2. Goodwill and business combinations**

#### **Acquisition cost**

Acquisition method is used to account acquisition of shares in subsidiaries. Acquisition cost equals to fair value of assets, liabilities incurred or assumed, and equity instruments issued by the buyer at acquisition date.

#### **Goodwill difference**

Goodwill corresponding to the excess of the cost of acquisition over the Group's share in the fair value of these assets, liabilities, and contingent liabilities of the acquired company at the date of acquisition, is recognized as an asset in the statement of financial position under "Goodwill". Negative goodwill is recognized immediately in the income statement.

In accordance with IFRS 3 "Business combinations", goodwill is not amortized but is tested for impairment as soon as there is an indication that it may be impaired, and at least once a year. In the event of an impairment loss, the impairment is recorded in the income statement. It is irreversible.

### **3.2.3. Foreign currency translations- unrealized exchange gains and losses**

Due to the nature of group's activities, numerous transactions are denominated foreign currencies. Transactions in foreign currencies are recorded as follows:

- Tangible and intangible fixed assets, as well as raw materials and other consumables, are translated at current exchange rates applicable at the date of the transaction, except for revalued categories of fixed assets,
- Non-monetary items accounted for at fair value denominated in foreign currency are translated using the exchange rates applicable when the fair value was determined,
- Other assets and liabilities are translated at the functional currency rate at the end of the reporting period. Profits and losses resulting from exchange operations are recognized in the income statement,
- Profits and losses are converted using the exchange rates applicable at the transaction date.

### 3.3 Property, Plant, and equipment

#### **Accounting policies:**

Tangible assets are recorded based on cost model according to the standard IAS 16. Cost includes the purchase price, all costs necessary to bring the asset to working condition less accumulated depreciation and impairment. The fair value model is applied for some asset categories as the following:

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:**

In 2015, and to better connect the depreciation of production-related assets according to their respective generated economic benefits, SNIM group decided to depreciate all the assets linked to production at the production unit instead of a systematic depreciation based on an estimated lifespan. The units of account used to be the Railway, Mineral Port, and Mines.

Given the importance of the operational constraints, both IT and human, it was not possible to maintain the method of the UOP adopted in 2015 and the group chose to return to linear depreciation, which is more convenient to adopt in its information systems and to maintain over time. The impact of this accounting amendment amounted to 7 047 MMUR and was presented retrospectively with an impact on opening equity and property, plant and equipment as of December 31<sup>st</sup>, 2015.

Therefore, depreciation is now applied on a straight-line basis, based on estimated useful lives, in order to reflect the rate of consumption of the expected future economic benefits from the asset in accordance with IAS 16.

The estimated useful life of the respective asset categories are 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 agreement**

SNIM group 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 Group 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 not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the asset or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of the fair value of the depreciated replacement cost or 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 of the time value of money and the risks specific 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 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 the following 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 the Guelbs 2 project and the mineral port, implicit commitments could lead SNIM group to recognize assets with a view to the dismantling and/or rehabilitation of the facilities. SNIM group also remains attentive to any changes in legislation and decisions taken in such matters by the Mauritian authorities (cf.3.15 Site rehabilitation).

### 3.4 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 group's intangible assets do not include any Goodwill.

### 3.5 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 compulsory 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 group 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.

### 3.6 Non-current financial assets

The group 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.

### 3.7 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 consider 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.

### **3.9 Definition of cash generating unit**

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 group. 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 group to make the following grouping:

- ✓ **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. It was considered that the mines, the private rail service and the port facilities could not separately generate cash inflows that were largely independent of the cash inflows generated by the other components of the SNIM group.
- ✓ **GMM:** This company is considered as an independent UGT owing to its specific business, its exposure to risk and its profitability;
- ✓ **SAFA:** This company is dedicated to smelting works for the group;
- ✓ **COMECA:** This Company is considered as an independent UGT due to its specific business, its exposure to risk and its profitability.
- ✓ **ATTM:** This Company is dedicated to construction, transport and maintenance of the group. This company is considered as an independent UGT

- ✓ **SOMASERT:** business of this company is tourism and hotel business. This company is considered as an independent UGT
- ✓ **SAMIA S.A:** this company is considered as an independent UGT due to its specific business, its exposure to risk and its profitability;
- ✓ **SAMMA:** business of this company is stevedoring and handling. This company is considered as an independent UGT
- ✓ **GIP:** This company is dedicated to handling for the group. This company is considered as an independent UGT
- ✓ **Tazadit Underground Mine (TUM)** this company is involved in research and underground mining iron ore. This company is considered as an independent UGT
- ✓ **Mauritanienne d'Eau et d'Electricité(M2E):** aims for realization and management of distribution networks of water and electricity in Zouerate. This company is considered as an independent UGT
- ✓ **Mauritania Saudi Mining and Steel (MSMS)** produces and exports iron.
- ✓ **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 lamanage and piloting in the port of Nouadhibou and in quite different port of Mauritania out outside.
- ✓ **AMSAGA;** The conduct of geological exploration activities, and mining activities (production and mining)
- ✓ **ENGINEERING & CONSULTING ASSOCIES (ENCO):** Strategic and operational consulting services
- ✓ **: Générale de la promotion immobilière (GPIM) :** Construction and property development management

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.

### 3.10 Trade receivables

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.

### 3.11 Borrowing costs

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.

### 3.12 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.

### 3.13 Financial debts

SNIM's group financial debt is mainly contracted with international financial sponsors at 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 group 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 group measure the financial assets and liabilities at transaction price, which equals the amounts received. Interest is recorded on a nominal rate basis.

The debt ratio calculated from the data of the year ended 31/12/2024 is -2.5.

Within the context of the Development and Modernization Project, SNIM ( the parent company) signed financing agreements with commercial financial institutions and institutional sponsors. Among these agreements, two loans contracted within the following banking pool:

- i) the African development bank, the French Development Agency, the European Investment Bank, the Islamic Development bank, BNP Paribas, Société Générale, BHF-BANK Aktiengesellschaft et KfW as regards the financing GuelbII project and
  - ii) BNP Paribas, Société Générale, BHF-BANK Aktiengesellschaft and KfW for the financing of new mineral harbor project.
- These two bank loans are subject to covenants requiring compliance with certain ratios. Failure to comply with these ratios gives lenders the option to require early repayment of their loans. The ratios are calculated every six months on the basis of the individual and consolidated financial statements.
  - These ratios are as follows:
    - o Debt coverage service ratio (Free Cash-Flow /Debt Service): >1,3
    - o Indebtedness Ratio (DLMT/Exceeds gross operating): <3,5
    - o Ratio of Financial Structure (DLM / Equity): <2
    - o Curent Ratio (Curent Assets /Curent liabilities) : >1,5

On June 20, 2018, SNIM ( the parent company) concluded an agreement with its donors, the main terms of which are as follows:

- 1) Debt ratio: The Debt Ratio (financial debt to EBITDA) is replaced by the Net Debt Ratio net debt (net of cash on financial debt) to EBITDA).



- 2) Communication to lenders on a monthly basis of i) Cash Balance On shore and Offshore and ii) Customer invoicing
- 3) Communication to lenders of offtake contracts
- 4) The introduction of a new liquidity control: the minimum level of cash must be USD 100 million. Non-compliance will be considered as an Event of Default.
- 5) If the cash level falls below USD 150 million, SNIM agrees to have an analysis conducted by a third party of its forecasts and the measures taken to restore the cash level.

Bank loans for the Guelb II project and for the New Mineral Port Project are fully repaid.

All the ratios provided for by the terms of the contracts described below above have been respected as of December 31, 2024.

### 3.14 Allowance for contingencies

In accordance with standard IAS 37, provisions are booked when the group 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. Restructuring operations are recognized at the time of their announcement to the people concerned.

### 3.15 Site rehabilitation

The legal obligations as of December 31, 2024, relating 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 29<sup>th</sup>, 2025, 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 phenomenon
- ✓ 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 based on 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”.

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**As of April 29<sup>th</sup>, 2025, these two decrees have not been published.**

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 group as of year-end.

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

- ✓ 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 record as per IFRIC 1's meanings.

### 3.16 Employee benefits

#### **Benefit pension plan:**

The group 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 are recognized as income or expense when the net cumulative unrecognized actuarial gains or losses for each individual plan exceed 10 % of the higher of the defined-benefit obligation and the fair value of the plan assets. These gains or losses are recognized on the expected average remaining working lives of the employees participating in the plan.

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

The group 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 group 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 the entity
- ✓ The reference salary is the base salary plus the seniority bonus (cf. 5.11 Actuarial assumptions).

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

### 3.17 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 based on the amount of remuneration the group expects to receive in exchange for the transfer of goods and services to the customer.

The following specific recognition criteria must also be met:

- ✓ **Mineral sales:** Proceeds from the sale of minerals are 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 ore onto a ship.
- ✓ **Construction contracts:** Contract revenues are measured at the fair value of the consideration received or receivable. Contract income and contract costs are recognized as income and expenses respectively based on the stage of completion of each contract's activity at the balance sheet date.
- ✓ **Interest:** Interest income is recorded at the amount of accrued interest.

### 3.18 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 installments.

### 3.19 Income tax

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be used. Deferred income tax is recorded on margin realized between companies of the group elimination.

### 3.20 Management of the functional and presentation currency

SNIM group presents its financial statements in local currency, the ouguiya.

The configuration currently used in the information system provides for the ouguiya as the functional currency, with the dollar used as a parallel currency. However, the system allows accounts to be issued in the parallel USD currency. The net position established on the basis of a USD functional currency and presented in MRU (converted at the average annual rate) can be estimated at 145,066 MMRU compared to a position of 126 936 MMRU in the accounts presented.

### 3.21 Derivative financial instruments and Hedging transactions

The Group 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, traded to hedge the Group's exposure to risks related to its business or financing operations, are qualified as hedges of future cash flows to the extent that they reduce the variability in value of cash flows attributable to a future transaction.

The Group 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.

#### 3.21.1 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. If the hedged transaction is not realized, the cumulative changes in value recognized directly in equity are recognized in profit or loss for the year.

### 3.21.2 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 on the basis of 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.

### 3.22 Interests and dividends

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

The Group’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.

### 3.23 Segment reporting

SNIM is dedicated to extraction of iron ore. Indeed, SNIM group’s exposure to risk so as expectations for profitability objectives are considered as homogeneous. Subsidiaries of group, representing independent Cash-Generating Units, are below the quantitative thresholds needed to make a separate presentation of information related to their own operational sector. 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,
- ✓ Japan,
- ✓ Australia,
- ✓ France,
- ✓ Other countries member of the European Union,
- ✓ Others

### 3.24 Investment in associates

#### **Presentation of the Guelb El Aouj project**

##### **(a) General presentation of EMC**

EL AOUJ 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 partnership**

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**

The new partner began 2024 by signing a "Non-binding Term Sheet" with SNIM, allowing it to start reviewing the feasibility study of the El Aouj Project while awaiting the finalization of its transaction with Glencore.

During this year, it redesigned the Project by opting for a two-phase execution strategy, each producing 5.65 million tons per year.

Additionally, this year provided the opportunity to negotiate various "Term Sheets" with this new partner as well as with SNIM. These include the "Term Sheets" for the construction contract, production, ore transport, and production sale (offtake), among others.

Finally, the financing mobilization process with Société Générale continued throughout 2024 and resulted in the signing of mandate letters with two (2) of the main funders, namely IFC and DFC. These mandate letters allow these institutions to begin analyzing the funding request with a view to signing the financing, expected before the end of 2025 with the signing of the final investment decision (FID).



## **Presentation of TAKAMUL Joint venture**

The Mauritanian Saudi Mining and Steel called TAKAMUL is a joint venture (JV) owned equally between SNIM ( the parent company) (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 GUELB 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 is well advanced and is expected to be completed by May 2025.

## **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- CONSOLIDATION SCOPE

The consolidated financial statements comprise the financial statements of SNIM group with its Parisian branch, its subsidiaries (all from Mauritania) and investments in associates where SNIM ( the parent company) has a significant influence. Consolidation scope comprises 12 companies fully consolidated, and 5 companies consolidated using the equity method.

The financial statements of subsidiaries are prepared as of December 31st, each year.

Consolidation scope and method as of 31st December 2024 appears as follows:

Entity	legal form	% of voting rights	% of interest	Consolidation method (1)
SNIM	S.A			Parent company
Subsidiaries MAURITANIA				
SOMASERT	S.A	100%	100%	FC
SAFA	S.A	100%	100%	FC
SAMMA	S.A	53%	53%	FC
ATTM	S.A	79%	79%	FC
COMECA	S.A	92%	92%	FC
SAMIA	S.A	89%	89%	FC
GMM	S.A	97%	97%	FC
DAMANE ASSURANCE SA	S.A	20%	20%	EM
GIP	S.A	68%	68%	FC
EL AOUI SA	S.A	50%	50%	EM
TUM	S.A	65%	99%	FC
MSMS TAKAMUL	S.A	50%	50%	EM
M2E	SA	100%	100%	FC
SRN	S.A	35%	35%	EM
ENCO	S.A	30%	30%	EM
GHM	S.A	62%	62%	FC
GPIM	S.A	100%	100%	FC

(1) FC: Full consolidation

EM: Equity method

## 5- ADDITIONAL INFORMATION RELATING TO THE STATEMENT OF FINANCIAL POSITION

### 5.1 Property, Plant, and equipment

Assets valued at fair value (IN MMRU)	31/12/2023	Acquisitions	Transfers	Disposals	31/12/2024
Gross Value	51 728	2 195	158	(133)	53 948
Amortization	27 768	2 089	158	(133)	29 882
<b>NET VALUE</b>	<b>23 960</b>	<b>105</b>	<b>-</b>	<b>-</b>	<b>24 065</b>

Assets valued at cost (IN MMRU)	31/12/2023	Acquisitions	Transfers	Disposals	31/12/2024
Gross Value	76 232	6 152	(1)	(101)	82 281
Amortization	45 408	4 059	1	(384)	49 085
<b>NET VALUE</b>	<b>30 825</b>	<b>2 092</b>	<b>(2)</b>	<b>282</b>	<b>33 196</b>

<b>TOTAL GROSS VALUE</b>	<b>127 960</b>	<b>8 347</b>	<b>156</b>	<b>(234)</b>	<b>136 229</b>
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<b>TOTAL DEPRECIATION</b>	<b>73 176</b>	<b>6 149</b>	<b>159</b>	<b>(516)</b>	<b>78 967</b>
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<b>FIXED ASSETS IN PROGRESS</b>	<b>14 005</b>	<b>10 738</b>	<b>(9 857)</b>	<b>94</b>	<b>14 980</b>
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<b>NET VALUE FIXED ASSETS</b>	<b>68 789</b>	<b>12 936</b>	<b>(9 859)</b>	<b>376</b>	<b>72 241</b>
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The additions of the year 2024 amount to 10 738 MMRU of which 670 MMRU of capitalized production.

There are no events or evidence of impairment on the group'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	31/12/2023	Incorporated costs during the period	31/12/2024
Guelb2	2 024	-	2 024
Mineral harbor	406	-	406
Harbor dredging	200	-	200
<b>Total</b>	<b>2 630</b>	<b>-</b>	<b>2 630</b>

#### Finance leases

The gross book value of leases qualified as leases under IFRS 16 and included in work in progress assets presents a null value.

The gross value of the financial leases included in the final assets is as follows:

<b>In MMRU</b>	<b>31/12/2023</b>	<b>Acquisitions</b>	<b>Disposals</b>	<b>31/12/2024</b>
Renewal of Port Equipment (part BID)	7 69	-	-	7 69
Other materials Guelbs II (part BID)	2 324	-	-	2 324
Railway Materials (Part BID)	6 31	-	-	6 31
<b>Gross value</b>	<b>3 723</b>	-	-	<b>3 723</b>

Other materials Guelbs II correspond to:

- ✓ 10 mining trucks for MMRU 6 14
- ✓ 6 locomotives for MMRU 573
- ✓ 6 loading systems of wagon for MMRU 463
- ✓ 4 wet concentrations for MMRU 674

Railway materials correspond to:

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

### **Finance lease obligations**

<b>Minimum lease payments in thousands of USD</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
Due within one year	-	2 655
From 2 <sup>nd</sup> to 5 <sup>th</sup> year inclusive	-	0
Less future financial charges	-	(65)
<b>Finance leases debt</b>	<b>-</b>	<b>2 589</b>

### **5.1.1 Property, Plant, and equipment at fair value**

Tangible assets 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

<b>GROSS VALUE (IN MMRU)</b>	<b>31/12/2023</b>	<b>Acquisitions</b>	<b>Transfers</b>	<b>Disposals</b>	<b>31/12/2024</b>
Specialized complex installations	42 555	1 964	-	-	44 519
Railway rolling stock and railroad track	9 173	231	158	(133)	9 429
<b>TOTAL</b>	<b>51 728</b>	<b>2 195</b>	<b>158</b>	<b>(133)</b>	<b>53 948</b>
<b>ACCUMULATED DEPRECIATION</b>	<b>31/12/2023</b>	<b>Acquisitions</b>	<b>Transfers</b>	<b>Disposals</b>	<b>31/12/2024</b>
Specialized complex installations	22 753	1 882	-	-	24 636
Railway rolling stock and railroad track	5 015	207	158	(133)	5 247
<b>TOTAL</b>	<b>27 768</b>	<b>2 089</b>	<b>158</b>	<b>(133)</b>	<b>29 882</b>
<b>NET BOOK VALUE</b>	<b>31/12/2023</b>	<b>Acquisitions</b>	<b>Transfers</b>	<b>Disposals</b>	<b>31/12/2024</b>
Specialized complex installations	19 802	82	-	-	19 883
Railway rolling stock and railroad track	4 158	24	-	-	4 182
<b>TOTAL</b>	<b>23 960</b>	<b>105</b>	<b>-</b>	<b>-</b>	<b>24 065</b>

### 5.1.2 Property, Plant, and equipment at acquisition cost

<b>GROSS VALUE (IN MMRU)</b>	<b>31/12/2023</b>	<b>Acquisitions</b>	<b>Transfers</b>	<b>Disposals</b>	<b>31/12/2024</b>
Land	821	-	-	-	821
Land improvements	118	-	(1)	-	117
Buildings	29 200	1 041	-	(54)	30 187
Operating equipment	40 588	4 409	-	(30)	44 968
Transportation equipment	3 384	460	-	(9)	3 835
Office and IT equipment	682	63	-	-	745
Office furniture	1 439	178	-	(9)	1 608
<b>TOTAL</b>	<b>76 232</b>	<b>6 152</b>	<b>(1)</b>	<b>(101)</b>	<b>82 281</b>
<b>ACCUMULATED DEPRECIATION</b>	<b>31/12/2023</b>	<b>Acquisitions</b>	<b>Transfers</b>	<b>Disposals</b>	<b>31/12/2024</b>
Land	-	-	-	-	-
Land improvements	19	1	-	-	20
Buildings	13 359	1 256	-	(39)	14 577
Operating equipment	28 155	2 321	-	(327)	30 148
Transportation equipment	2 553	372	-	(9)	2 917
Office and IT equipment	637	21	-	-	658
Office furniture	658	88	1	(9)	738
<b>TOTAL</b>	<b>45 381</b>	<b>4 059</b>	<b>1</b>	<b>(384)</b>	<b>49 058</b>
<b>NET BOOK VALUE</b>	<b>31/12/2023</b>	<b>Acquisitions</b>	<b>Transfers</b>	<b>Disposals</b>	<b>31/12/2024</b>
Land	821	-	-	-	821
Land improvements	99	(1)	(1)	-	97
Buildings	15 841	(215)	-	(16)	15 610
Operating equipment	12 433	2 088	-	298	14 820
Transportation equipment	831	88	-	-	918
Office and IT equipment	45	42	-	-	87
Office furniture	781	90	(1)	-	870
<b>TOTAL</b>	<b>30 851</b>	<b>2 092</b>	<b>(2)</b>	<b>282</b>	<b>33 224</b>

The following table shows the gross values of fully depreciated property, plant and equipment that are still in use as of December 31<sup>st</sup>, 2024:

Categories (IN MMRU)	Gross value	
	2 023	2 024
Buildings	1 673	1 840
Railway rolling stock and railroad track equipment	1 712	1 888
Specialized complex installations	9 485	10 376
Operating equipment	16 896	17 519
Transportation equipment	1 561	1 772
Other tangible assets	773	899
<b>TOTAL</b>	<b>32 100</b>	<b>34 294</b>

## 5.2 Intangible assets

Variation in Intangible gross fixed assets	31/12/2023	Additions	Disposals	31/12/2024
Intangible fixed assets value	1 116	32	-	1 148
<b>TOTAL</b>	<b>1 116</b>	<b>32</b>	<b>-</b>	<b>1 148</b>

Change in amortization	31/12/2023	Allowance	Reversals	31/12/2024
Intangible fixed assets value	854	33	-	886
<b>TOTAL</b>	<b>854</b>	<b>33</b>	<b>-</b>	<b>886</b>

<b>Net value of intangible fixed assets</b>	<b>262</b>	<b>(1)</b>	<b>-</b>	<b>262</b>
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These intangible assets relate to acquired patents and software.

## 5.3 Non-current financial assets and investments in Associates

Categories (IN MMRU)	31/12/2024	31/12/2023
Loans and advances	2 102	2 029
Deposits and guarantees	27	18
Other financial assets	1 620	536
Investment in associates	1 593	2 420
<b>TOTAL</b>	<b>5 342</b>	<b>5 003</b>

Loans and advances granted to Group employees or associated companies do not generate interest. The impact of the discount is not considered significant. Loans are recorded at the value of the amounts loaned.

Deposits and guarantees are valued based on the amounts disbursed. The difference from their fair value is not significant.

## 5.4 Inventories and work-in-progress

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

IN MMRU	31/12/2024	31/12/2023
Raw materials at weighted average cost	14 960	12 913
Raw materials at net realizable value	10 649	8 472
Goods	71	62
Iron ore at weighted average cost	4 961	4 334
Iron ore at net realizable value	2 029	1 785
<b>Total inventories at the lower of weighted average cost and net realizable value</b>	<b>12 749</b>	<b>10 319</b>

The group does not practice any pledge on stocks.

## 5.5 Trade receivables and related accounts

Trade receivables are detailed as follows:

IN MMRU	31/12/2024	31/12/2023
Iron ore trade receivables	5 459	7 984
Other trade receivables	4 046	3 131
<b>Total Gross</b>	<b>9 505</b>	<b>11 115</b>
Impairment of Iron ore trade receivables	-	(12)
Impairment of Other trade receivables	(865)	(933)
<b>Total impairment</b>	<b>(865)</b>	<b>(945)</b>
Iron ore trade receivables net	5 459	7 972
Other trade receivables net	3 181	2 198
<b>Total net value</b>	<b>8 640</b>	<b>10 170</b>

The application of IFRS 9 did not have a significant impact on the impairment of trade receivables. The reconciliation of impairment of receivables is as follows:

## 5.6 Other receivables

Other receivables are detailed as follows:

Categories (IN MMRU)	31/12/2024	31/12/2023
Trade payables – debit balances	4 384	3 142
Trustee	110	113
Tax receivables	1 269	947
Regularization accounts	1 091	1092
Sundry receivables	1 463	1 326
<b>TOTAL</b>	<b>8 317</b>	<b>6 621</b>

- Trade payables - debit balances are related to advances granted to its suppliers and orders realized before the issuing of the corresponding invoices.
- The Trustee fund is directly supplied by the bank when customer sales are collected and is intended to repay maturities linked to the loans of the same name.
- Tax receivables are mainly composite of unique tax or other income from State.
- Regularization accounts refer to the prepaid expenses.
- Sundry receivable accounts concern short-term advances granted to staff, claims on social security organizations and miscellaneous claims.

## 5.7 Financial instruments: Disclosure

### 5.7.1 Financial instruments presented in the statement of financial position

The group defines its financial assets according to the following categories: assets measured at fair value in return for profit, instruments for hedging future cash flows, assets held to maturity, loans and receivables, assets available for sale, and debts at amortized cost. The classification depends on the financial assets' acquisition purposes. Management determines the classification of its financial assets upon initial recognition.

#### **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.

#### **Assets held to maturity**

Non-derivative financial assets, with fixed or determinable payments and a fixed maturity, are classified as investments held until their maturity, as soon as the group has the manifest intention and the capacity to keep them until when they fall due. Gains and losses are recorded in the income statement when these investments are derecognized or impaired.

#### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payment that are not quoted in an active market. They are included in current assets, except those whose maturity is more than twelve months after the closing date.

The group assesses at each closing date whether there is an objective indicator of impairment of a financial asset or a group of financial assets.

Financial assets and liabilities are offset, and the net amount is presented in the balance sheet when the group has a legally enforceable right to offset the amounts recognized and intends either to extinguish them on a net basis, or to carry out the asset and extinguish the liability simultaneously.

The main financial liabilities consist of loans and supplier debts. The main objective of these financial liabilities is to finance the group's operational activities.

Upon initial recognition, borrowings should be measured at their fair value, against which transaction costs directly attributable to the issuance of the liability are charged.

Loan issue costs and premiums are not included in the initial cost but should be considered in the determination of the amortized cost using the effective interest rate method and should be recognized in the actuarial profit and loss all along the liability's lifespan.



As of December 31<sup>st</sup>, 2024, 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	2 129	-	-	2 129	2 129
Trade receivables and related accounts	8 640	-	-	8 640	8 640
Other receivables and related accounts	8 317	-	-	8 317	8 317
Cash and cash equivalents	33 640	15 808	-	49 452	33 644
<b>Assets</b>	<b>52 730</b>	<b>15 808</b>	-	<b>68 538</b>	<b>52 730</b>
Financial debts (portions over 1 year)	1 538	-	-	1 538	1 538
Financial debts (portions at less than 1 year)	1 168	-	-	1 168	1 168
Trade payables	9 712	-	-	9 712	9 712
Other payables	4 568	-	-	4 568	4 568
<b>Liabilities</b>	<b>16 986</b>	-	-	<b>16 986</b>	<b>16 986</b>

The fair value of other financial instruments (loans and deposits) was not deemed significant, and these items are therefore valued at amortized cost.

The fair value of the trade receivables, other receivables, trade payables and other payables was not deemed significant, and these items are therefore valued at amortized cost discounted at closing market price in the transaction currency.

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

### 5.7.2 Derivative financial instruments

The group 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 31<sup>st</sup>, 2024, financial instruments on exchange rates available at closing date are detailed below:

Hedging accounting	2024				2023			
	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
<b>Foreign currency risk</b>								
<b>a) Cash flow hedging (CFH)</b>								
<b>Forward contracts in foreign currency</b>								
Euro	(39)	(977)	38 500	-	15,3	389	35 000	-
<b>Options on currency</b>								
Euro	(27)	(686)	35 500	35 500	20	506	46 000	76 500
<b>b) Fair value hedging (FVH)</b>								
<b>Forward contracts in foreign currency</b>								
Euro	(23)	(572)	12 000	9 000	(4)	(100)	3 000	3 000
<b>Options on currency</b>								
Euro	(9)	(227)	4 000	4 000				
<b>c) Other operations</b>								
<b>Options on currency</b>								
Euro	(33)	(830)	-	29 000				
<b>Total (I)</b>	<b>(131)</b>	<b>(3 292)</b>	<b>90 000</b>	<b>77 500</b>	<b>31</b>	<b>795</b>	<b>84 000</b>	<b>79 500</b>

**Raw Material price risk:**

As part of its management of financial products, SNIM group may be required to negotiate products on energy commodities (Gas Oil & Fuel Oil). As of December 31, 2024, considering the market prices recorded in December 2024, the quantities to be hedged and the impossibility for SNIM group 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, 2024, no derivative instruments related to interest rate risk were in the portfolio.

The impacts on the income statement of derivative financial instruments as of December 31<sup>st</sup>, 2024 are presented here below:

Cash-Flow Hedging in USD	Amount transferred to gains and losses during the year	Inefficiency booked in Profit
<b>Cash-Flow Hedge</b>		
Foreign currency hedging	(730 334)	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
<b>Fair Value Hedge</b>			
Foreign currency hedging	(49 192)	(772 200)	-
Interest rate hedging	-	-	-
Raw Material hedging	-	-	-

Non-qualifying derivative instruments for hedging	Gains and losses recognized in profit or loss
Foreign exchange hedging	(204 664)
Interest rate hedging	-
Raw material hedging	-

**Hedging objective and policy:**

The iron ore market is denominated in US dollars; therefore, all SNIM group's sales are made in US dollars. Mauritania's exchange regulations prohibit any possibility of managing exchange rate risks against the national currency. The group 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, the group 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, the group is indeed exposed to currency risk against the dollar for all its debt expressed in a third currency.

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

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

**Foreign exchange risk:**

SNIM group'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 group 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 group 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 equity
2024	10%	26 169	4 872 314
	(10%)	(4 645 621)	(9 247 013)

Dollar = 39,84 ouguiyas

**Raw Material price risk:**

SNIM group is exposed to the raw material price risk on firm and estimated operational transactions.

SNIM group'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 31<sup>st</sup>, 2024, the group did not have any raw material coverage. Therefore, no sensitivity test has been performed.

**Interest rate risk:**

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

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

SNIM group'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 group 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, the group decided to implement a hedging policy, aimed at guaranteeing a maximum income rate.

**Credit risk:**

The group 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 in order to adapt the possible depreciation on receivables. The maximum exposure is equal to the book value mentioned in **Note 5.5**.

Regarding the credit risk on other financial assets of the Group, i.e., cash and cash equivalents, financial assets available for sale, loans and certain derivative instruments, the Group' 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:**

The group 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, 37% of loans contracted by all group companies 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 31<sup>st</sup>, 2024, 35% of SNIM group's debts are due in less than one year, compared with 34% in 2023.

**Maturity:**

The table below shows the maturity of the financial liabilities as of December 31<sup>st</sup>2024, based on contractual payments not discounted. The principal considers only the debt drawn by the group as of December 31<sup>st</sup>2024. Similarly, interest expenses reflect the interests of the group totally drawn as of December 31<sup>st</sup>2024.

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	2025	2026	2027	2028	2029	2 030	2 031
Principal	1 190	135	137	115	88	66	65
Interest	61	45	34	24	49	7	2
TOTAL	1 250	180	172	139	137	73	67
	2032	2033	2034	2035	2036	TOTAL	
Principal	21	21	21	21	826	2 706	
Interest	-	-	-	-	-	222	
TOTAL	21	21	21	21	21	2 928	

**5.8 Cash and cash equivalents**

IN MMRU	31/12/2024	31/12/2023
Cash	49 452	49 690
Cash equivalents	(452)	(401)
TOTAL	49 000	49 289

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

Cash equivalents include short-term deposits with an original maturity of less than three months that are liquid and readily convertible. Bank overdrafts include loans with an initial maturity of less than three months.

**5.9 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 1 000 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	31/12/2024	31/12/2023	%
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	2,3%
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, 2024, the legal reserve amounts to 1 827 MMRU, representing 10% of the equity.

## 5.10 Financial debts

### 5.10.1 Loans within the scope of trustee agreement

These loans are covered by a trust agreement signed on July 7, 1980 between the group, 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 group, 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 110 MMRU as of December 31, 2024 against 113 MMRU as of December 31, 2023. It is charged to the "Trustee" item (Note 5.6 Section Other debtors)

The debts under trustees are as follows:

IN MMRU	Currency	Interest rate	Maturity	31/12/2024	31/12/2023
<b>VOIE</b>					
BID	USD	Var.	2 024	-	101
<b>DRAGAGE</b>					
BAD DRG	USD	7,231%	2 031	243	283
BEI DRG	USD	VAR	2 031	307	345
<b>Subtotal</b>				<b>550</b>	<b>729</b>

The situation of Financing agreements is presented as follows:

Project	Lender	Currency	Interest rate	Maturity	Total Millions	Drawn Millions	Un-Drawn Millions
Usine G1	FADES	KWD	Fix	2049	32	2	30
DRAG	BEI	USD	Var	2031	10	10	-
DRAG	BAD	USD	Var	2031	10	10	-

GUELBI II financing and the New Mineral Port Project financing has been fully refunded since 2022.

### 5.10.2 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	31/12/2024	31/12/2023
Subsidy for equipment (GIP)				802	619
FADS	KWD		2 049	170	252
Deposit				4	4
CDD (ATTM)	MRU	10,40%		78	52
MOZACA (GHM)	MRU			63	-
GS SARL (GHM)	MRU			63	-
BMI (GHM)	MRU			350	-
<b>Subtotal</b>				<b>1 528</b>	<b>927</b>

### 5.10.3 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 group 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 31<sup>st</sup>, 2024 and as for December 31<sup>st</sup>, 2023.

IN MMRU	Currency	Interest Rate	Maturity	31/12/2024	31/12/2023
<b>Rescheduled maturities on French debt</b>					
Agreement 8	EUR	3,00%	2019	117	117
<b>Subtotal</b>				<b>117</b>	<b>117</b>

### 5.10.4 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 in the process of being signed.

The group 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	31/12/2024	31/12/2023
FED/03/EUR (Sysmin III)	EUR	Var.		177	547
European Economic Community (Sysmin 1)	EUR	0,50%	2 028	333	338
<b>Subtotal</b>				<b>510</b>	<b>885</b>
<b>TOTAL LOANS</b>				<b>2 706</b>	<b>2 660</b>
<b>Loans maturing in less than one year</b>				<b>1 168</b>	<b>925</b>
<b>Long and mid-term loans</b>				<b>1 538</b>	<b>1735</b>

Financial debts maturing in less than one year correspond to the portion of borrowings that will be repaid over the next twelve months.

The table of changes in financial debts between December 31<sup>st</sup>, 2024 and December 31<sup>st</sup>,2023 is as follows:

IN MMRU	31/12/2023	Cash flows (drawings & reimbursements)	FX	Other	31/12/2024
Long and mid-term loans	1 735	333	18	(548)	1 538
Loans maturing in less than one year	925	(299)	(6)	548	1 168
<b>Total</b>	<b>2 660</b>	<b>34</b>	<b>12</b>	<b>-</b>	<b>2 706</b>

Other mainly includes the reclassification of maturities of less than one year.

### 5.11 Retirement benefit obligation

IN MMRU	31/12/2023	Allowance	Reversals	31/12/2024
Provisions for retirement indemnities	4 334	*697	(136)	4 894
Provisions for additional retirement	2 833	311	(86)	3 058
<b>TOTAL</b>	<b>7 167</b>	<b>1 008</b>	<b>(222)</b>	<b>7 951</b>

\*Including 151 MMRU increase in retirement benefits mainly related to changes in experience difference and recognized in other comprehensive income.

#### Description of plan:

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.

#### Actuarial assumption:

The benefit obligation amount is determined according to the projected unit credit actuarial valuation method. This method consists in valuing the benefit according to the projected salary at the end of the employee's career and to the eligible amount at valuation date. The following assumptions were used:



Assumptions	Applied Assumptions
Age of retirement	63 years
Future salary increase	45 ans et moins :12% Plus de 45 ans : 10%
Actual rate of return	4,94%
Death rate	INSEE H 2016-2018
Exit rate	Decreasing and zero curve from age 55

The accrual basis held to recognize actuarial gains and losses is a booking in equity.

ASSUMPTIONS for the period ended as of	31/12/2023	31/12/2024
Beginning of the period	01 January 2023	01 January 2024
End of the period	31 December 2023	31 December 2024
Actuarial rate	4,94%	4,94%
Expected average remaining working lives	9	9

IN MMRU	31/12/2023	31/12/2024
<b>Benefit obligation</b>	<b>4 334</b>	<b>4 894</b>
<i>of which related to SNIM-the parent company</i>	4 230	4 760
<i>of which related to subsidiaries</i>	104	134

**Variation in benefit obligation:**

IN MMRU	31/12/2023	31/12/2024
<b>Benefit obligation at the beginning of the period</b>	<b>2 495</b>	<b>4 334</b>
Current service cost	144	292
Interest cost	80	223
Actuarial (gains) losses	1 771	151
<i>of which changes in assumptions</i>	972	-
<i>of which experience differences</i>	798	151
Benefits paid	(164)	(136)
<b>Change in Benefit obligation from subsidiaries</b>	<b>8</b>	<b>30</b>
<b>Benefit obligation at the end of the period</b>	<b>4 334</b>	<b>4 894</b>

**Actuarial cost for the year:**

In MMRU	31/12/2023	31/12/2024
Current service cost	144	292
Interest on debt	80	223
<b>Expenses*</b>	<b>223</b>	<b>515</b>

\*The actuarial cost for the year from the subsidiaries is not significant.

**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.

**5.12 Provisions**

The provisions cover the risks linked to conflicts and disputes with outgoing staff.

These provisions are not discounted as the effect of the actuarial effect is not material.

IN MMRU	31/12/2023	Increase	Reversal	31/12/2024
Contingency provision	806	-	(296)	510
<b>TOTAL</b>	<b>806</b>	<b>-</b>	<b>(296)</b>	<b>510</b>

**5.13 Trade payables**

Trade payables are detailed as follows:

IN MMRU	31/12/2024	31/12/2023
Trade payables	9 041	5 987
Accrued payables	671	956
<b>TOTAL</b>	<b>9 712</b>	<b>6 943</b>

There are no discounted debts at closing date.

**5.14 State and other public taxes**

IN MMRU	31/12/2024	31/12/2023
Current Income Tax	1 699	2 209
Taxes on wages and salaries	842	739
Other taxes	385	317
<b>TOTAL</b>	<b>2 926</b>	<b>3 265</b>

SNIM (parent company) has a special 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 SNIM, for a period of 20 years starting on January 1, 1999. This agreement ensures SNIM group'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 turnover 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 turnover 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 group also pays an annual lump sum of 80 million ouguiyas representing the totality of the taxation of tax compensation and benefits in kind granted by the group 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.

The agreement signed between the Mauritanian State and SNIM exempts it from the payment of all customs duties and similar taxes, as well as all taxes, duties, fees, and royalties of any kind relating to all products, equipment, and services, as well as to iron ore mining and water exploration activities. It also exempts from payment of all customs duties and similar taxes on all equipment, materials, supplies, and consumables imported by the companies and their subcontractors and intended for work carried out on behalf of SNIM. The special agreement was the subject of an amendment No. 1 signed on June 19, 2001 concerning the introduction of VAT and the Group's liability to this tax. Under the terms of this amendment to the new agreement, SNIM is subject to Value Added Tax on the supply of goods and services not directly related to industrial and mining operations.

### 5.15 Other payables

IN MMRU	31/12/2024	31/12/2023
Trade creditors	2 109	1 847
Payroll expenses and related costs	554	545
Dividends payable	10	156
Sundry payable and pre-payments	1 895	2 501
<b>TOTAL</b>	<b>4 568</b>	<b>5 049</b>

Credit customers correspond to mineral customers whose final invoices are in their favor.

## 6- ADDITIONAL INFORMATION RELATING TO THE INCOME STATEMENT

### 6.1 Sales

IN MMRU	2024	2023
Sales of iron ore	45 673	50 053
Sales of subsidiaries	2 473	2 247
<b>TOTAL</b>	<b>48 147</b>	<b>52 270</b>

The production sold represents the sales of iron ore for the sum of 45 673 MMRU (1 152 224 838 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, MERCCURIA and TOSYALI IRON STEEL INDUSTRY) accounted for 67% of the total revenue in 2024.

The breakdown by geographical area is as follows:

IN MMRU	2024	2023
Chine	28 203	23 633
Algérie	5 959	12 061
Italie	3 949	5 028
Allemagne	2 815	1 150
Australia	1 750	3 997
Japan	777	2 022
Egypt	548	-
France	326	581
Autres	1 347	1 581
<b>TOTAL</b>	<b>45 673</b>	<b>50 053</b>

Subsidiaries sales are detailed as follows:

IN MMRU	2024	2023
ATTM	1 735	1 588
SOMASERT	9	17
COMECA	178	173
SAMIA	42	40
SAFA	242	195
SAMMA	92	59
GMM	(3)	9
M2E	119	105
GIP	59	61
<b>TOTAL</b>	<b>2 473</b>	<b>2 247</b>

## 6.2 Revenue from ancillary business activities

Other revenue from ancillary business activities is detailed as follow:

IN MMRU	2024	2023
Rents, material disposal, telecom	203	337
Rental of buildings and equipment	11	10
Other services	91	13
Provision of personnel	121	143
Disposals	75	10
<b>TOTAL</b>	<b>501</b>	<b>512</b>

## 6.3 Raw materials and consumables

Raw materials and consumables are detailed as follows:

IN MMRU	2024	2023
Consumables used	17 648	16 074
Maintenance products	160	117
Water and electricity	69	47
Materials & supplies	28	71
<b>TOTAL</b>	<b>17 905</b>	<b>16 309</b>

The increase in materials consumed is mainly explained by:

- The increase in mining equipment is mainly related to the general revisions realized in 2024.
- The increase in fuel costs mainly due to the rise in diesel consumption following operations on the power plant groups.

## 6.4 Other operating income

Other operating income are detailed as follow:

IN MMRU	2024	2023
Miscellaneous Products and Profits	27	296
Discounts, rebates, and refunds obtained	97	96
Profits / disposal	-	74
<b>TOTAL</b>	<b>124</b>	<b>466</b>

## 6.5 Personnel expenses

The personnel expenses are as follows:

IN MMRU	2024	2023
Wages	7 786	7 050
Social charges	575	690
Provision for retirement indemnities	151	249
Complementary pension schemes	689	142
<b>TOTAL</b>	<b>9 202</b>	<b>8 130</b>

The increase in personnel costs is mainly explained by:

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

The evolution of the group headcount is presented as follows:

Category	2024	2023
Executives	613	564
Supervisory staff	4077	4 056
Workers	3041	2 925
<b>TOTAL</b>	<b>7 731</b>	<b>7 545</b>

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

## 6.6 Depreciation, amortization and provision

Depreciation, amortization, and provision are detailed as follows:

IN MMRU	2024	2023
Depreciation of property, plant, and equipment	5 902	6 066
Amortization of intangible assets	15	29
Provisions (contingencies)	74	206
Other depreciation	574	1 582
Reversals / provisions	(802)	(495)
<b>TOTAL</b>	<b>5 763</b>	<b>7 389</b>

## 6.7 Taxes

Taxes are detailed as follows:

IN MMRU	2024	2023
Tax on benefit	16	15
Other taxes	373	150
<b>TOTAL</b>	<b>389</b>	<b>165</b>

## 6.8 Other operating expenses

The other operating expenses are detailed as follows:

IN MMRU	2024	2023
Expenses related to investment (1)	2 128	1 841
Expenses related to operations (2)	658	881
Other Charges (3)	1 091	906
<b>TOTAL</b>	<b>3 877</b>	<b>3 628</b>

(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 concerns mainly the assignment expenses, fees, telephone, ore analysis and bank charges.

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

## 6.9 Financial income

Financial incomes are detailed as follows:

IN MMRU	2024	2023
Interest and related income	2 118	1914
Income on financial instrument	119	172
Foreign exchange gains	-	-
<b>TOTAL</b>	<b>2 237</b>	<b>2 086</b>

## 6.10 Financial expenses

Financial expenses are detailed as follows:

IN MMRU	2024	2023
Interest and related charges	186	189
Foreign exchange losses	-	17
Charges on financial instruments	67	15
<b>TOTAL</b>	<b>253</b>	<b>221</b>

**7- ADDITIONAL INFORMATION RELATED TO THE STATEMENT OF CASH FLOWS****7.1 Depreciations and amortizations**

<b>IN MMRU</b>	<b>2024</b>	<b>2023</b>
Amortization of property, plant and equipment	6 149	6 066
Amortization of intangible assets	33	29
Amortization of financial assets	-	-
Allocation to provisions (risks & charges + IDR)	702	2 022
Loss of tangible assets	80	193
<b>TOTAL AMORTIZATIONS AND PROVISIONS</b>	<b>6 964</b>	<b>8 311</b>

**7.2 Changes in working capital**

<b>IN MMRU</b>	<b>2024</b>	<b>2023</b>
Decrease (Increase) in inventories	(2 430)	602
Decrease (Increase) in trade receivables	1 530	(484)
Decrease (Increase) in other receivables	(455)	(1 356)
Increase (Decrease) in trade payables	1 698	478
Increase (Decrease) State and other local authorities	(139)	(1 085)
Increase (Decrease) in other payables	(483)	446
<b>Change in working capital</b>	<b>(277)</b>	<b>(1 399)</b>

**7.3 Expenditures on fixed assets**

<b>IN MMRU</b>	<b>2024</b>	<b>2023</b>
Acquisition of property, plant & equipment	(8 155)	(11 328)
Acquisition of intangible assets	(32)	(17)
Acquisition of Financial assets	(487)	(148)
<b>TOTAL ACQUISITIONS</b>	<b>(8 674)</b>	<b>(11 493)</b>

**7.4 Reversal of depreciations and provisions**

<b>IN MMRU</b>	<b>2024</b>	<b>2023</b>
Capitalized production	(670)	(670)
Reversal of depreciations and provisions	(469)	(414)
<b>TOTAL</b>	<b>(1 139)</b>	<b>(1 084)</b>

**7.5 Foreign exchange gains and losses**

<b>IN MMRU</b>	<b>2024</b>	<b>2023</b>
FX gains / loss on loans	(7)	(68)
Other comprehensive income	560	701
<b>TOTAL</b>	<b>553</b>	<b>633</b>



**7.6 Net Cash**

<b>IN MMRU</b>	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	49 452	49 690
Current cash liabilities	(452)	(401)
<b>Total</b>	<b>49 000</b>	<b>49 289</b>

## 8- OTHER COMMITMENTS AND LIABILITIES

Off balance sheet commitments are broken down as follows:

IN MMRU	31/12/2024	31/12/2023
Documentary credits in progress	2 491	879
Commitments on contracts	-	-
<b>Subtotal commitments given</b>	<b>2 491</b>	<b>879</b>
Guarantees received from contractors	500	673
Balances of undisbursed funds	3 833	3 833
<b>Subtotal commitments received</b>	<b>4 333</b>	<b>4 506</b>
<b>Total</b>	<b>6 824</b>	<b>5 385</b>

## 9- RELATED PARTY DISCLOSURE

Transactions with related parties are not significant. They mainly concern the sale of materials and fuel and workshop services.

This table summarizes the intra-group services provided in 2024 in MMRU.

Purchases														
Sales	FILIALES	ATTM	COMECA	SAMMA	SAMIA	SOMASERT	GMM	SAFA	GIP	M2E	GHM	GPIM	SNIM	TOTAUX
	ATTM												42	42
	COMECA	0				0			28	-	-	-	370	398
	SAMMA	2	1		4		0	1	0		3		139	150
	SAMIA													-
	SOMASERT	2	3	1	0		0	1	0	1		0	100	109
	GMM												0	0
	SAFA		3										243	246
	GIP												81	81
	M2E					3							1	18
	SNIM	69	10	10	14	14	22	7	10	94	7	4		262
	TOTAUX	74	17	11	18	17	23	9	38	94	10	4	989	1 305

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

**10- EVENTS AFTER THE REPORTING PERIOD**

The financial statements have been approved and authorized by the Executive Board on **April 29<sup>th</sup>, 2025**. They don't reflect the occurrence of subsequent events after this date. No significant event directly affecting the group has occurred after closing date.