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**IRC Limited 鐵江現貨有限公司**  
(Incorporated in Hong Kong with limited liability)  
(Stock code: 1029)

**2025 ANNUAL RESULTS**  
**SALES VOLUME ROSE 25%**  
**NON-CASH IMPAIRMENT OF US\$160 MILLION**  
**NET LOSS OF US\$131 MILLION**

**CONFERENCE CALL**

A conference call will be held today at 13h30 Hong Kong time to discuss the annual results. The number is +852 2112 1888 and the passcode is 1516525#. Presentation slides to accompany the call are available at [www.ircgroup.com.hk](http://www.ircgroup.com.hk). A playback of the teleconference will be available from 26 March 2026 at [www.ircgroup.com.hk/en/ir\\_presentations.php](http://www.ircgroup.com.hk/en/ir_presentations.php).

**Wednesday, 25 March 2026:** The Board of Directors (“Board”) of IRC Limited (“IRC” or the “Company”, together with its subsidiaries, the “Group”) hereby announces the annual results of the Company for the year ended 31 December 2025.

**Financial Highlights**

- Revenue rose to US\$258.1 million (2024: US\$221.2 million), mainly due to 25.0% increase in sales volume, despite 6.4% decrease in Platts 65% index price;
- Cash cost per tonne decreased to US\$77.6 (2024: US\$86.0), mainly due to improved quality of ore and lower stripping ratio at Sutara, and improved iron ore recovery following technology improvements made by K&S team;
- Non-HKFRS adjusted EBITDA (excluding non-recurring items and foreign exchange) of US\$17.2 million (2024: US\$9.3 million);
- Non-HKFRS adjusted underlying loss of US\$3.4 million (2024: US\$15.4 million);
- Asset impairment charge on K&S of US\$152.9 million (2024: nil), driven by Rouble appreciation and stronger Rouble outlook which inflates projected future costs;
- Loss attributable to shareholders of US\$131.5 million (2024: US\$20.5 million);
- Cash and deposits decreased to US\$41.6 million (31 December 2024: US\$60.7 million), mainly due to voluntary repayments of MIC loan and CAPEX incurred on K&S’s mining fleet and Sutara development; and
- Rights issue completed in February 2026 raising US\$41.8 million; MIC loan fully repaid in March 2026.

**Operating Highlights**

- Production volume increased by 23.0% to 2,925k tonnes (2024: 2,378k tonnes), mainly due to improved quality of ore from Sutara and better iron ore recovery;
- Sales volume increased by 25.0% to 2,928k tonnes (2024: 2,343k tonnes), in line with production increase;
- K&S’s own mining fleet commenced operation, reducing reliance on external mining contractors; and
- Successful and quick ramping up of mining works at Sutara.

**Commenting on the results, Nikolai Levitskii, Chairman of IRC said:** “2025 is a year which I can reflect on a period of profound transformation for IRC Limited. This was a year defined by a clear contrast: significant operational success achieved against a backdrop of persistent and challenging external headwinds.

*The single most important development of 2025 was the full integration and positive contribution from Sutara. The successful ramp-up of operations at Sutara has been a game-changer. The high-quality ore from this site, coupled with the technical upgrades implemented on the K&S processing plant, have fundamentally improved the operating efficiency of K&S. This operational achievement translated directly into record production and sales volumes for the full year.*

*However, it is deeply frustrating that the exceptional operational progress was not fully reflected in our financial performance. The external environment remained highly challenging throughout 2025. The iron ore market was characterised by persistent weakness. Simultaneously, we faced the ongoing challenge of a strong Russian Rouble which resulted in a material increase in our US dollar-equivalent cost base. This situation clearly illustrates the powerful, and at times opposing, forces at play in our industry. In light of this, we have taken decisive action to fortify the Company’s financial health for the long term with the completion of a rights issue in February 2026. This was a crucial step in ensuring we have the robust capital structure needed to navigate market volatility and pursue future opportunities.*

*Looking ahead to 2026 and beyond, the near-term market outlook remains uncertain, with global economic conditions and iron ore demand continuing to present challenges. We do not expect the external headwinds to abate quickly. However, the foundations of our business are now stronger than they have been for years. With our operational platform transformed and our finances reinforced, IRC is well-positioned to deliver improved value for our shareholders when market conditions improve.*

*I wish to extend my sincere gratitude to our employees for their resilience and hard work during a demanding year. I also thank our shareholders for their continued trust and support and our partners for their collaboration. We move into 2026 with a stronger company and a clearer path forward.”*

## FINANCIAL REVIEW

The table below shows the results of the Group for the year ended 31 December 2025 (the “Year”) and 2024:

	<b>For the year ended 31 December</b>		Variance
	2025	2024	
<b>Key Operating Data</b>			
Iron Ore Concentrate			
— Production volume (tonnes)	<b>2,925,373</b>	2,377,519	23.0%
— Sales volume (tonnes)	<b>2,928,251</b>	2,342,633	25.0%
Achieved Selling Price (US\$/tonne)			
— based on wet metric tonne	<b>88.1</b>	94.3	(6.6%)
— based on dry metric tonne	<b>95.3</b>	101.3	(5.9%)
Platts 65% iron ore average price	<b>115.4</b>	123.3	(6.4%)
Russian Rouble average exchange rate (to the US Dollar)	<b>83</b>	93	(10.8%)
Cash Cost (US\$/tonne)			
— excl. transportation to customers (wet metric tonne)	<b>60.9</b>	70.6	(13.7%)
— incl. transportation to customers (wet metric tonne)	<b>77.6</b>	86.0	(9.8%)
— excl. transportation to customers (dry metric tonne)	<b>65.9</b>	75.8	(13.1%)
— incl. transportation to customers (dry metric tonne)	<b>83.9</b>	92.4	(9.2%)
<b>Consolidated Income Statement (US\$'000)</b>			
<b>Revenue</b>	<b>258,052</b>	221,156	16.7%
Site operating expenses and service costs before depreciation	<b>(230,961)</b>	(201,310)	14.7%
General administration expenses before depreciation	<b>(9,634)</b>	(10,209)	(5.6%)
Other expenses, gains and losses, and other allowances, net	<b>(215)</b>	(310)	(30.6%)
<b>Adjusted EBITDA excluding non-recurring items and foreign exchange</b> <sup>(note)</sup>	<b>17,242</b>	9,327	84.9%
Depreciation	<b>(16,710)</b>	(17,600)	(5.1%)
Finance costs, net	<b>(4,244)</b>	(6,526)	(35.0%)
Income tax credit/(expense) & non-controlling interests	<b>310</b>	(623)	(149.8%)
<b>Adjusted underlying loss – excluding non-recurring items and foreign exchange</b> <sup>(note)</sup>	<b>(3,402)</b>	(15,422)	(77.9%)
Net foreign exchange and fair value change of derivatives	<b>(2,584)</b>	(916)	182.1%
Provision for asset impairment losses	<b>(159,610)</b>	–	N/A
Reversal of accruals and write-back of payables related to EPC contract	<b>29,883</b>	–	N/A
Gain from disposal of a joint venture company	<b>4,245</b>	–	N/A
Other provision	<b>–</b>	(4,153)	(100.0%)
<b>Loss attributable to the owners of the Company</b>	<b>(131,468)</b>	(20,491)	541.6%

*Note:* These represent non-HKFRS adjusted results of the Group. For further details of the basis of adjustment and adoption of non-HKFRS measures, please refer to the section headed “Use of Non-HKFRS measures” on page 4 to 6 of this announcement.

## USE OF NON-HKFRS MEASURES

To supplement IRC’s consolidated financial statements prepared and presented in accordance with HKFRS Accounting Standards, non-HKFRS adjusted results are presented as additional financial measures.

IRC’s operating results are mainly derived from the operation of K&S. The Group manages its operations with principal reference to the underlying operating cash flows and recurring earnings. The “adjusted EBITDA” and “adjusted underlying results”, as presented below, are results which exclude non-recurring items and foreign exchange. The Company believes that these non-HKFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impact of items that management considers non-indicative of the operating performance. It is considered that these measures provide useful information to investors and others in understanding and evaluating IRC’s consolidated results of operations and financial position, in the same manner as they help the management of IRC. However, the presentation of the non-HKFRS adjusted EBITDA and non-HKFRS adjusted underlying results may not be comparable to similarly titled measures presented by other companies. The use of these non-HKFRS measures has limitations as analytical tools, and should not be considered in isolation from, or as substitutes for analysis of, the results of operations or financial position of IRC as reported under HKFRS Accounting Standards.

### 1. Adjusted EBITDA — excluding non-recurring items and foreign exchange

US\$’000	For the year ended 31 December	
	2025	2024
<b>Loss before taxation</b>		
— As reported	(131,778)	(19,868)
<b>Non-HKFRS adjustments</b>		
— Impairment losses	159,610	—
— Net foreign exchange and fair value change of derivatives	2,584	916
— Depreciation	16,710	17,600
— Finance costs, net	4,244	6,526
— Reversal of accruals and write-back of payables related to EPC contract	(29,883)	—
— Gain from disposal of a joint venture company	(4,245)	—
— Other provision	—	4,153
<b>Non-HKFRS</b>		
— Adjusted EBITDA excluding non-recurring items and foreign exchange	<b>17,242</b>	<b>9,327</b>

For the year ended 31 December 2025, the Group recorded a positive adjusted EBITDA, excluding non-recurring items and foreign exchange of US\$17.2 million (2024: US\$9.3 million). The positive adjusted EBITDA was primarily driven by higher production and sales volumes, along with lower production costs, which offset the impacts of weaker iron ore prices and Rouble appreciation, as detailed below:

**Sales and production volumes:** The significant increase in production and sales volumes by K&S was driven by improved ore quality and lower stripping ratio at Sutara, as well as technology improvement of the production process. During the Year, 2,925,373 tonnes of iron ore concentrate were produced (2024: 2,377,519 tonnes), representing an increase of 23.0%. Sales volume also increased accordingly, with 2,928,251 tonnes of iron ore concentrate being sold in 2025 (2024: 2,342,633 tonnes), 25.0% higher than that of last year.

**Selling prices:** The average Platts 65% iron ore price amounted to US\$115.4 per tonne for the Year (2024: US\$123.3 per tonne), representing a decrease of 6.4%. IRC's achieved selling price for iron ore concentrate also decreased accordingly by 5.9%, from US\$101.3 per tonne in 2024 to US\$95.3 per tonne in 2025.

**Production cost:** Despite the high Russian inflation, strong Rouble appreciation, and the increase of Mineral Extraction Tax rate, IRC's cash cost decreased by 9.8% to US\$77.6 per tonne. This positive impact is mainly attributable to significant decrease in mining cost, as the good quality ore and lower stripping ratio at Sutara, coupled with an improved iron ore recovery following technical improvements provided a much-improved yield rate. The higher sales volumes also led to a general decrease in fixed costs on a per tonne basis. The increased sales volumes along with lower production costs mitigated the impacts of weaker iron ore price, Russian inflation and Rouble appreciation. The combined effect led to a positive adjusted EBITDA of US\$17.2 million for the Year, marking an increase of 84.9% as compared with that of 2024.

## 2. Adjusted underlying results — excluding non-recurring items and foreign exchange

US\$'000	For the year ended 31 December	
	2025	2024
<b>Loss attributable to the owners of the Company</b>		
– As reported	(131,468)	(20,491)
<b>Non-HKFRS adjustments</b>		
– Impairment losses	159,610	–
– Reversal of accruals and write-back of payables related to EPC contract	(29,883)	–
– Gain from disposal of a joint venture company	(4,245)	–
– Net foreign exchange and fair value change of derivatives	2,584	916
– Other provision	–	4,153
<b>Non-HKFRS</b>		
– Adjusted underlying loss excluding non-recurring items and foreign exchange	<u>(3,402)</u>	<u>(15,422)</u>

The Group's statement of profit or loss sometimes includes certain material non-recurring and non-operating items which, under the non-HKFRS adjusted results, should be considered separately. In 2025, these items are:

- **Impairment losses:** Impairment losses related to the K&S mine amounted to US\$152.9 million (2024: nil). This was primarily due to the appreciation of the Russian Rouble resulting in higher forecasted operating costs in US dollar term. In addition, during the Year, the carrying value of one of the exploration and evaluation assets, Bolshoi Seym, amounting to US\$6.7 million was fully impaired due to issues with the exploration license (2024: nil). For further details in respect of the impairment losses, please refer to note 7 to the consolidated financial statements of the Company for the year ended 31 December 2025 in this announcement.
- **Reversal of accruals and write-back of payables related to EPC contract:** A one-off gain of US\$29.9 million was recorded during the Year (2024: nil) primarily resulted from the reversal of accruals and write-back of payables related to an EPC contract following an amicable settlement of the dispute. For further details, please refer to the announcement of the Company dated 23 January 2025.
- **Gain from disposal of a joint venture company:** During the Year, the Group had sold its 46% equity interest in Heilongjiang Jianlong Vanadium Industries Co., Ltd (the "JV Company"). As the Group's interest in the JV Company had been fully provided for in previous years, the disposal resulted in a net one-off gain of US\$4.2 million. Upon completion of the disposal, the Group ceased to have any equity interest in the JV Company.
- **Net foreign exchange and fair value change of derivatives:** A non-cash net foreign exchange loss of US\$2.6 million was recorded during the Year (2024: net foreign exchange loss and fair value change of derivatives of US\$0.9 million), mainly due to Russian Rouble exchange rate movements.

While the Group reports a loss of US\$131.5 million for the Year, this figure may not be a best reflection of the actual performance of the Group due to the aforementioned non-recurring items and foreign exchange. Under the non-HKFRS measures adopted, the Group reports an adjusted EBITDA of US\$17.2 million and an adjusted underlying loss of US\$3.4 million. The underlying result for the Year is better than that of 2024 mainly due to improved adjusted EBITDA, as discussed above.

## REVENUE

### Iron ore concentrate

IRC's main revenue source comes from the sales of 65% iron ore concentrate produced at the K&S mine.

During the Year, the Company experienced a significant increase in both production output and sales volumes of iron ore compared to the previous year. This robust performance is primarily attributable to the commencement of operations at the Sutara mine in July 2024, which facilitated a gradual transition of mining works from the Kimkan mine to the Sutara mine. The transition to the Sutara mine enabled the delivery of higher quality ore mined with lower stripping ratio, significantly boosting production volume and operational efficiency of K&S. The operations of the Sutara mine effectively addressed the challenges faced by the Group in the first half of 2024, when production was constrained due to the deterioration in the quality of iron ore reserves from the depleting Kimkan deposit. To illustrate the positive impact of Sutara, during the first quarter of 2025, the Company produced 679,080 tonnes of iron ore concentrate. In the second quarter of 2025, production volume increased to 743,790 tonnes, reflecting an increase of 9.5% from quarter to quarter.

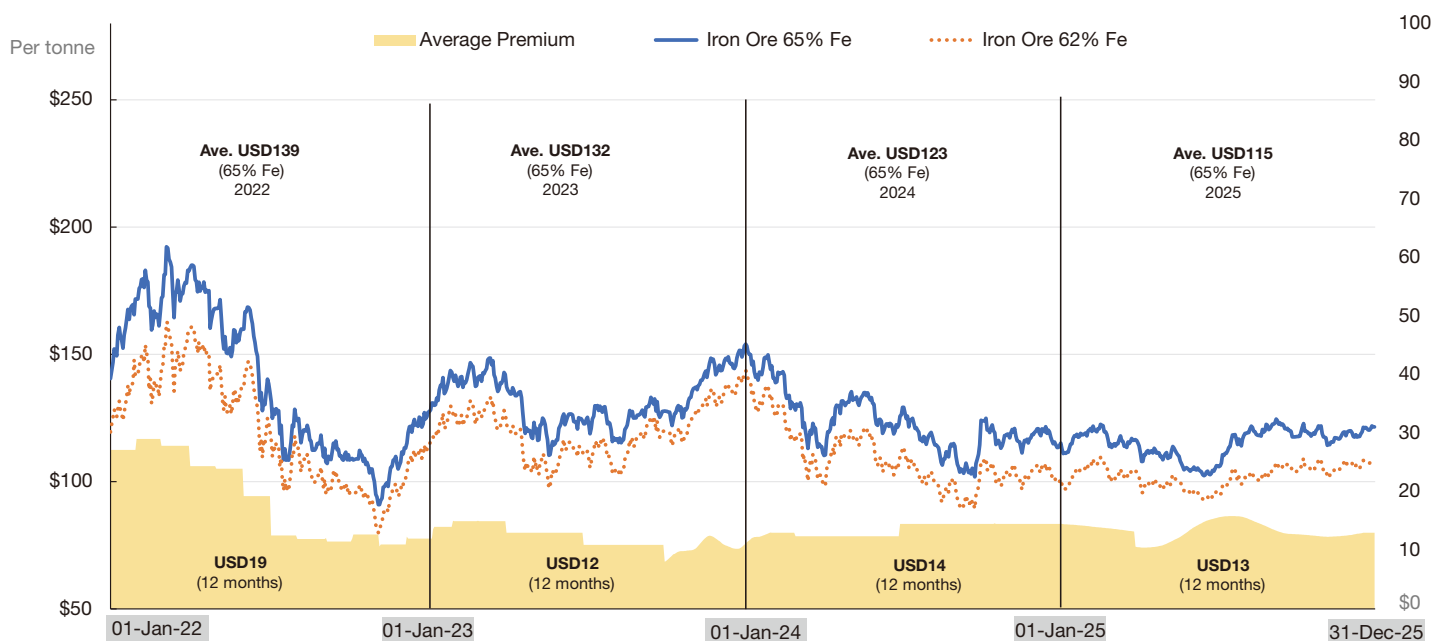
Additionally, technical improvements and upgrades implemented at the K&S processing plant have enhanced operational efficiency, leading to a material improvement in yield. The synergistic effect of accessing superior ore from the new site and optimising plant performance has enabled the Company to deliver substantially higher production and sales volumes.

During the Year, a total of 2,925,373 tonnes of iron ore concentrate were produced, 23.0% higher than the 2,377,519 tonnes produced during 2024. In line with the increased production volume, sales volume also increased. During the Year, sales volume of 2,928,251 tonnes of iron ore concentrate was 25.0% higher than the 2,342,633 tonnes sold in the previous year. In terms of the quantity of ore mined at Sutara, a total of 8.3 million tonnes of iron ore were mined at Sutara, accounting for approximately 89% of the total amount of ore mined during the Year.

The selling price of K&S’s iron ore concentrate is determined with reference to the international spot price of Platts iron ore benchmark index. During the Year, the market price of iron ore exhibited an “N-shaped” trajectory, characterised by moderate volatility and ultimately ending the year with an average price decrease when comparing with the average price in 2024. Platts 65% iron ore price index began the year on firmer ground, rising to around US\$117 per tonne in the first quarter, driven by supply disruptions in Australia and Brazil and optimistic policy expectations in China. This was followed by a downward trend through the second quarter of 2025 with the Platts 65% iron ore price index averaging around US\$109 per tonne, as steel mill margins came under pressure and demand softened. The market staged a recovery in the third quarter, supported by resilient Chinese steel exports and government signals of economic support, which pushed prices back up to an average of around US\$117 per tonne. Heading into the fourth quarter, prices were influenced by a combination of persistent demand for medium-grade fines, offset by speculative concerns about future supply from projects. This resulted in a relatively stable price level with an average index price of US\$119 per tonne. Reflecting these dynamics, the Platts 65% iron ore price index averaged US\$115.4 per tonne in 2025, 6.4% lower than that of last year.

The chart below illustrates the movement of the Platts 65% Fe index from 2022 to 2025:

### Platts 65% Iron Ore Price vs 62% Iron Ore Price



\* Source: Platts (as of 31 December 2025)

The positive impact of the 25% increase in sales volume was partially offset by the falling iron ore price which translated to an increase in IRC's revenue by 16.7% to US\$258.1 million.

As of 31 December 2025, IRC did not have any open iron ore hedging position, given that it is difficult to achieve meaningful hedges with the forward iron ore curve in backwardation. IRC will continue to monitor the price movements and may enter into hedging transactions if the hedging terms are considered favorable.

Although K&S is strategically located at the doorstep of its Chinese market, most of the major Chinese steel mills nearby are owned or controlled by the same corporate organisation. This means that in the north-eastern part of China, IRC is operating in a semi-captive market, where low transportation costs play an important positive role on the logistics cost of its product but its bargaining power in price negotiations is negatively affected. This trend continued in 2025, especially with the steel mills opting to operate at a lower profitability and capacity mode as the economy in China continues to be relatively sluggish. As a result, the steel mills preferred lower grade and cheaper iron ore. IRC understands that this has been the case for other Russian producers as well, with discounts being commonly offered to customers in the region. For this reason, sales have also been made by K&S to customers in Russia in the past, but this market is not without its challenges considering the market competition from other local producers. As the purchase prices offered by the Russian customers of K&S were not attractive, minimal sales were made to Russia in 2025. Seaborne sales continued to be suspended due to the volatile operating environment which makes such sales uneconomical. K&S will continue monitoring the situation and adjusting its sales and marketing strategy accordingly.

In 2025, K&S predominantly used the Amur River Bridge (the "Bridge") for railway shipments to the Chinese customers. In 2025, 1.8 million tonnes of iron ore concentrate were shipped via the Bridge, representing approximately 63% of total shipments during the Year. Although shipments made via the Bridge do not save much cost due to the high bridge tariff, this transportation route helps alleviate the railway congestion issues and allows K&S to ship its products more efficiently to its customers.

### **Engineering Services**

Revenue from Giproruda, the Group's small-scale engineering services division, was not material but diversified the Group's revenue. Revenue from the segment was US\$321,000 in 2025 (2024: US\$202,000).

### **SITE OPERATING EXPENSES AND SERVICE COSTS BEFORE DEPRECIATION**

The mining and operating expenses incurred by the Group's sole operating mine, the K&S project, in relation to sales of iron ore concentrate are primarily reflected in site operating expenses and service costs.

The table below illustrates the details of the key cash cost components per wet metric tonne of iron ore concentrate sold:

	<b>For the year ended 31 December</b>	
	<b>2025</b>	2024
	<b>Cash cost per tonne</b>	Cash cost per tonne
	<b>US\$/t</b>	US\$/t
Mining	<b>25.1</b>	33.2
Processing and drying	<b>13.0</b>	12.5
Production overheads, site administration and related costs	<b>14.6</b>	13.8
Mineral Extraction Tax	<b>8.2</b>	5.6
Temporary Export Duties	<b>–</b>	5.5
	<hr/>	<hr/>
Net cash cost before transportation to customers	<b>60.9</b>	70.6
Transportation to customers	<b>16.7</b>	15.4
	<hr/>	<hr/>
Net cash cost	<b>77.6</b>	86.0

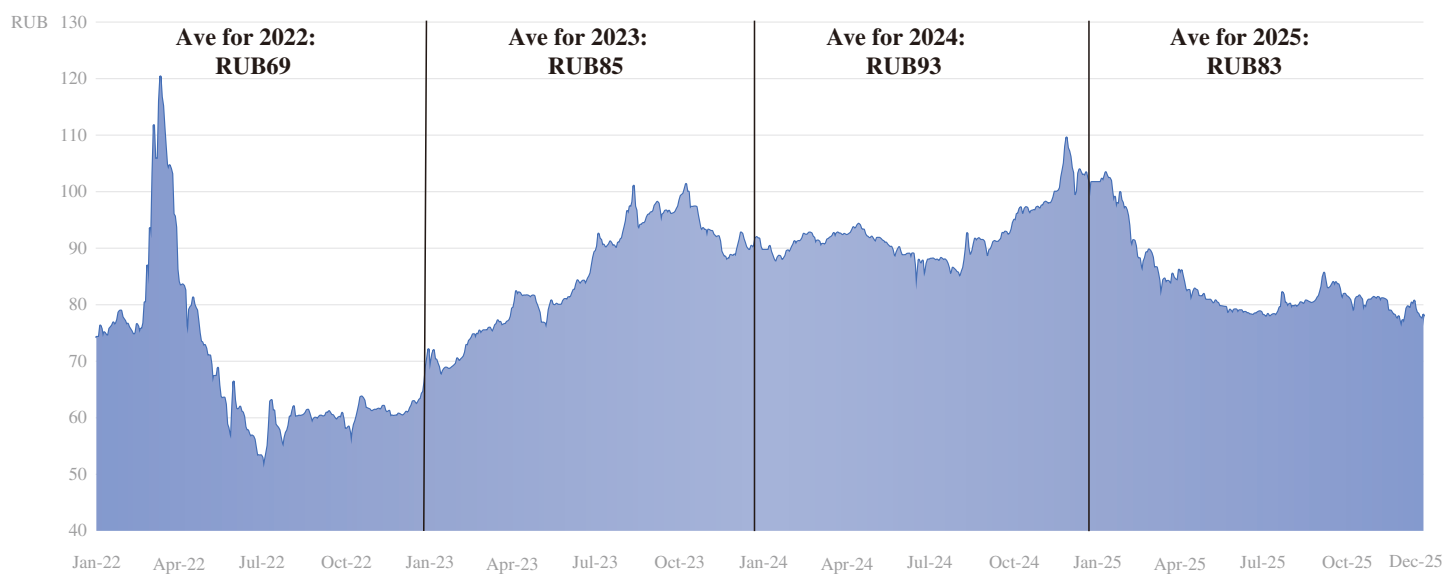
Net cash cost for the Year was US\$77.6 per tonne (2024: US\$86.0 per tonne), representing a decrease of 9.8%. This reduction is primarily due to the mining at Sutara, whose superior ore quality and lower stripping ratio improved the yield and resulted in reduction in mining costs. Specifically, mining cost for the Year was US\$25.1 per tonne (2024: US\$33.2 per tonne), representing a decrease of 24.4%. The successful commencement of Sutara mine enables K&S to deliver higher quality ore while managing costs more effectively. In addition, the higher production volume, which allows the Group to benefit from economies of scale, coupled with the technological upgrades of the K&S processing plant, has resulted in a general reduction in cost on a per tonne basis.

Production overheads, site administration and related costs for the Year amounted to US\$14.6 per tonne (2024: US\$13.8 per tonne), representing an increase of 5.8%. The increase was mainly attributable to higher operational expenses, mainly driven by inflationary pressures and the expansion of operational activities. In 2025, Russia's inflation rate is around 6%, higher than the Russia Central Bank's target of 4%. Cost control remains a challenging task for K&S.

The Temporary Export Duties were nil for the Year (2024: US\$5.5 per tonne) as such duties were only implemented by Russia to last until the end of 2024. On the other hand, the Mineral Extraction Tax for the Year was US\$8.2 per tonne (2024: US\$5.6 per tonne), representing an increase of 46.4%. The increase was attributable to a general increase in the Mineral Extraction Tax rate by Russia in 2025, and also the increase of the Mineral Extraction Tax rate of K&S following the expiry of a preferential tax regime previously granted.

IRC's operating cost is also dependent on the strength of the Russian Rouble, as the Group's costs are mainly denominated in Roubles. During the Year, the Rouble exchange rate was about RUB83 to the US Dollar (2024: RUB93 to the US Dollar), representing a currency strengthening of 10.8%. The appreciation of the Rouble has heightened inflationary pressure on costs and negatively impacted on the Group's operating margin. As of 31 December 2025, the Group did not have any hedging position for the Russian currency, but may consider entering into foreign exchange hedging contracts if deemed appropriate. The chart below illustrates the movements of the Rouble exchange rate since 1 January 2022 to 31 December 2025:

### The Movement of Russian Rouble



\* Source: Bank of Russia (as of 31 December 2025)

In summary, the net cash cost for the K&S project decreased to US\$77.6 per tonne, representing a decrease of 9.8% compared to 2024. This decline is primarily due to the successful commencement of the Sutara mine site, whose improved ore quality and lower stripping ratio allowed mining cost to reduce by 24.4%. These improvements, together with the upgrades to the processing plant, effectively offset the negative impacts of increasing Mineral Extraction Tax, higher production overheads and the appreciation of Rouble.

### GENERAL ADMINISTRATION EXPENSES BEFORE DEPRECIATION

General administration expenses before depreciation of US\$9.6 million is generally in line with last year's expense level of US\$10.2 million.

### OTHER EXPENSES, GAINS AND LOSSES, AND OTHER ALLOWANCES, NET

Net other expenses, gains and losses, and other allowances in 2025 mainly represents the rental income offset by the loss on disposal of fixed assets and other expenses, resulting in a net expense position.

## **DEPRECIATION**

Depreciation of US\$16.7 million in 2025 is generally in line with last year's level of US\$17.6 million.

## **FINANCE COSTS, NET**

Net finance costs principally reflect the interest expenses incurred by K&S on the loan facilities from MIC invest Limited Liability Company ("MIC"). During the Year, net finance costs amounted to US\$4.2 million (2024: US\$6.5 million), representing a decrease of 35.0% compared with that of 2024. The decrease was primarily due to voluntary early principal repayments of US\$12.0 million, in addition to the scheduled loan principal repayment instalment of US\$4.8 million to MIC in the first quarter of 2025. The tranche with the higher interest rate has been fully repaid in 2025.

## **INCOME TAX CREDIT/(EXPENSE) AND NON-CONTROLLING INTERESTS**

The income tax credit and non-controlling interests of US\$0.3 million is mainly related to the provision made for deferred tax movements.

## **NET FOREIGN EXCHANGE AND FAIR VALUE CHANGE OF DERIVATIVES**

During the Year, the net foreign exchange was US\$2.6 million (2024: net foreign exchange and fair value change of derivatives of US\$0.9 million). It was mainly attributable to the movements in exchange rate of Russian Rouble.

## **PROVISION FOR ASSET IMPAIRMENT LOSSES**

Provision for asset impairment losses related to the K&S mine for the Year amounted to US\$152.9 million (2024: nil). This was primarily due to the higher forecasting operating costs following the Rouble appreciation. In addition, due to licence issues, the carrying value of Bolshoi Seym of US\$6.7 million was fully impaired (2024: nil). For further details, please refer to note 7 to the consolidated financial statements of the Company for the year ended 31 December 2025 in this announcement.

## **REVERSAL OF ACCRUALS AND WRITE-BACK OF PAYABLES RELATED TO EPC CONTRACT**

A one-off gain of US\$29.9 million was recorded during the Year (2024: nil), primarily resulted from the reversal of accruals and write-back of payables related to an EPC contract following an amicable settlement of the dispute. For further details, please refer to the announcement of the Company dated 23 January 2025.

## **GAIN FROM DISPOSAL OF A JOINT VENTURE COMPANY**

During the Year, the Group had disposed of its 46% equity interest in Heilongjiang Jianlong Vanadium Industries Co., Ltd (the "JV Company"). As the Group's interest in the JV Company had been fully provided for in previous years, the disposal resulted in a net one-off gain of US\$4.2 million. Upon completion of the disposal, the Group ceased to have any equity interest in the JV Company.

## LOSS ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

The Group recorded a loss of US\$131.5 million for the Year (2024: US\$20.5 million). The loss was mainly due to the net effect of a one-off gain from reversal of accruals and write-back of payables related to EPC contract of US\$29.9 million for the Year offset by impairment losses related to the K&S mine and other assets of US\$159.6 million for the Year.

## SEGMENT INFORMATION

The mine in production segment represents the K&S mine's production and sales. This segment made a loss of US\$141.5 million for the Year, mainly due to the impairment losses related to the K&S mine, as mentioned above. Mines in development, engineering and other segments were not material to the total revenue and a total loss of US\$7.6 million of these segments was recorded during the Year.

## CASH FLOW STATEMENT

The following table summarises key cash flow items of the Group for the years ended 31 December 2025 and 31 December 2024:

US\$'000	For the year ended 31 December	
	2025	2024
<b>Operating profit before working capital movements</b>	<b>20,498</b>	7,391
Working capital movements		
— Net movement in inventories	<b>(9,107)</b>	(69)
— Net movement in receivables	<b>20,369</b>	7,926
— Net movement in payables	<b>(1,812)</b>	(8,983)
<b>Net cash generated from operations</b>	<b>29,948</b>	6,265
Repayments of borrowings	<b>(16,809)</b>	(22,828)
Capital expenditure	<b>(33,620)</b>	(17,350)
Interest expenses paid	<b>(3,371)</b>	(7,169)
Interest received, other payments and other adjustments, net	<b>328</b>	(1,802)
Income tax (paid)/refund	<b>(154)</b>	794
Proceeds from disposal of a joint venture company	<b>4,518</b>	—
Proceeds from issuance of shares	<b>—</b>	46,267
<b>Net movement during the Year</b>	<b>(19,160)</b>	4,177
<b>Cash and bank balances (including time deposits)</b>		
— At 1 January	<b>60,734</b>	56,557
— At 31 December	<b>41,574</b>	60,734

In 2025, operating profit before working capital movements was US\$20.5 million, up from US\$7.4 million in the prior year, mainly due to the increase in EBITDA as discussed above. A net working capital inflow of US\$9.5 million (2024: outflow of US\$1.1 million) was recorded in 2025, including increase in receipt of trade receivables from customers offset by stockpiling of inventories for future use. This has boosted net cash generated from operations in 2025 to US\$29.9 million (2024: US\$6.3 million).

The loan from MIC is to be repaid on a quarterly basis. The repayments of borrowings for the Year amounted to US\$16.8 million (2024: US\$22.8 million). The 2025 repayment represents voluntary early principal repayments of US\$12.0 million and the scheduled loan principal repayment instalment of US\$4.8 million in the first quarter of 2025. For the quarterly instalments that were due in June 2025, September 2025 and December 2025 totaling US\$14.4 million, MIC has agreed to extend the repayment deadline to March 2026. The MIC loan has been fully repaid in March 2026, before the repayment deadline.

Capital expenditure for the Year amounted to US\$33.6 million (2024: US\$17.4 million). The increase was primarily attributed to the acquisition of K&S’s mining equipment to reduce the reliance on external mining contractors, and the continuing development of the Sutara mine including the crushing and screening plant.

In December 2024, IRC completed a rights issue raising net proceeds of US\$46.3 million and the major of the proceeds were used for loan repayment. Consequently, the interest payment of US\$3.4 million is lower than that of last year (2024: US\$7.2 million).

## LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

### Share capital

On 15 May 2025, the Board proposed to implement the share consolidation on the basis that every ten issued shares of the Company be consolidated into one ordinary share (“Share Consolidation”). The Share Consolidation had been approved by the shareholders of the Company at the annual general meeting on 25 June 2025 and became effective on 27 June 2025. Details of the Share Consolidation are set out in the Company’s announcements dated 15 May 2025 and 25 June 2025, and circular dated 30 May 2025.

On 24 October 2025, the Company proposed to raise up to approximately US\$41.8 million before expenses by way of a rights issue to issue a maximum of 638,974,294 rights shares at a subscription price of HK\$0.51 per right share on the basis of one rights share for every two existing shares. The rights issue was completed on 6 February 2026 for which 638,974,294 rights shares had been issued and the Company had raised US\$41.8 million before expenses.

### Cash Position

As of 31 December 2025, the carrying amount of the Group’s cash, deposits and bank balances decreased to US\$41.6 million (31 December 2024: US\$60.7 million). The decrease is mainly due to the principal repayments to MIC and the capital expenditure incurred.

### Exploration, Development and Mining Production Activities

During the Year, US\$264.5 million was incurred on development and mining production activities (2024: US\$218.5 million). No material exploration activity was carried out in 2025 and 2024. The following table details the operating and capital expenditures in 2025 and 2024:

US\$’m	For the year ended 31 December					
	Operating expenses	2025 Capital expenditure	Total	Operating expenses	2024 Capital expenditure	Total
K&S development	229.7	28.5	258.2	200.4	17.2	217.6
Exploration projects and others	1.2	5.1	6.3	0.8	0.1	0.9
	<b>230.9</b>	<b>33.6</b>	<b>264.5</b>	<b>201.2</b>	<b>17.3</b>	<b>218.5</b>

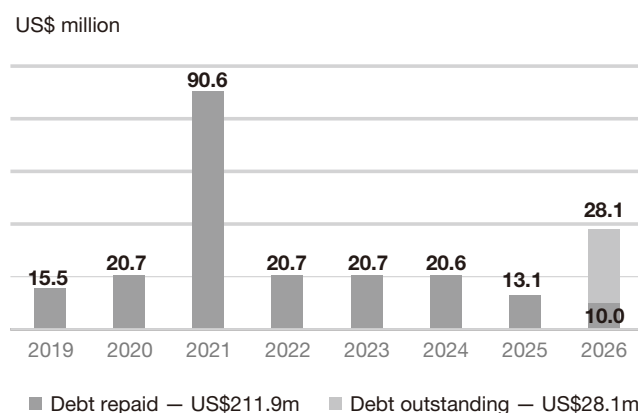
The table below sets out the details of material new contracts and commitments entered into throughout the year 2025 and 2024 on a by-project basis.

US\$'m	Nature	For the year ended 31 December	
		2025	2024
K&S	Purchase of property, plant and equipment	2.1	0.9
	Sub-contracting for excavation-related works	2.4	–
Others	Other contracts and commitments	1.0	2.3
		<b>5.5</b>	<b>3.2</b>

### Borrowings and Charges

IRC drew down the US\$240 million loan facility in 2019 and up to 31 December 2025, IRC has repaid US\$211.9 million. As of 31 December 2025, the total debt due to MIC amounted to US\$28.1 million (31 December 2024: US\$44.9 million), including the quarterly instalments that were originally due in June 2025, September 2025 and December 2025 totaling US\$14.4 million whose repayment deadline has been extended to March 2026. The repayment profile of the loan as of 31 December 2025 is as follows:

#### Loan Repayment Profile



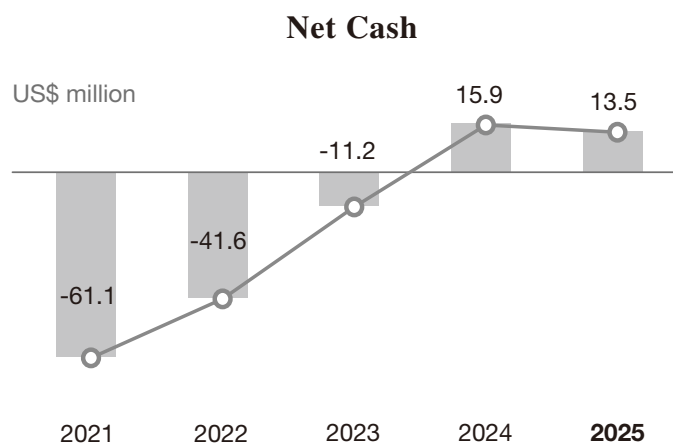
Source: IRC Limited (as of 31 December 2025)

The loan is secured by (i) a charge over the property, plant and equipment with net book value of US\$44.7 million; (ii) 100% equity share of LLC KS GOK, a wholly owned subsidiary of the Group; and (iii) pledge of the rights of certain bank accounts of LLC KS GOK.

After the completion of the rights issue in February 2026, the MIC loan was fully repaid in March 2026.

The interest rate of the MIC loan facility was determined based on Secured Overnight Financing Rate (“SOFR 90”). Interests for the first loan tranche of US\$160 million (of which US\$28.1 million is outstanding as of 31 December 2025) and the second loan tranche of US\$80 million (which has been fully repaid as of 31 December 2025) would be determined based on SOFR 90 + 6.2% per annum and SOFR 90 + 8.2% per annum, respectively. The Group’s weighted average interest rate was 8.30% for the Year (2024: 8.56%). The loan is not subject to guarantee, saving the Group from making guarantee fee payments.

The following graph shows the net cash/net debt position of the Group from 2021 to 2025.



*Source: IRC Limited (as of 31 December 2025)*

<b>Year</b>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<b><u>2025</u></b>
Net cash/(debt) (US\$'m)	(61.1)	(41.6)	(11.2)	15.9	<b>13.5</b>
Net debt to EBITDA ratio	0.36	0.74	0.24	N/A	<b>N/A</b>

As at 31 December 2025, all of the Group's borrowings were denominated in US Dollar. The Group's gearing ratio, calculated based on total borrowing (excluding lease liabilities) divided by total equity, increased to 15.2% (31 December 2024: 14.2%), mainly due to the asset impairments made in 2025 which reduced the equity of the Group.

### **Lease Liabilities**

Lease liabilities increased to US\$13.7 million (31 December 2024: US\$0.2 million) mainly due to the acquisition of certain mining equipment by way of leasing.

### **Risk of Exchange Rate Fluctuation**

The Group undertakes certain transactions denominated in foreign currencies, principally Russian Rouble, and is therefore exposed to exchange rate risk associated with fluctuations in relative values of US Dollars. Exchange rate risks are mitigated to the extent considered necessary by the Board of Directors, primarily by holding the relevant currencies.

As of 31 December 2025, the Group did not have any hedging position for the Russian currency, but may consider entering into foreign exchange hedging contracts if deemed appropriate. It should be noted that the hedging is not speculative in nature and is for risk management purposes.

### **Significant Investments, Acquisitions and Disposals**

Apart from the development of the Sutara Pit and the setting up of K&S's own mining fleet, during the Year, the Group had no significant investments, or major acquisitions and disposal of subsidiaries, associates and joint ventures. The Group does not have any specific future plans for material investment or capital assets as at the date of this announcement apart from the development of the Sutara Pit and the purchase of mining equipment as disclosed.

## **Employees and Emolument Policies**

As at 31 December 2025, the Group had 1,817 employees (2024: 1,670). The increase in headcount is to cater for the operation of K&S's own mining fleet and crushing and screening plant. Total staff costs increased to US\$45.9 million during the Year (2024: US\$32.9 million), reflecting the higher number of headcounts, tight labour market, high Russian inflation, as well as strong Rouble exchange rate, which together raised the cost level in US dollar terms. The emolument policy of the Group is set up by the remuneration committee of the Company and the remuneration is determined on the basis of the merits, qualifications and competence of the employees with regard to market conditions and trends.

## **CONTINGENT LIABILITIES**

As at 31 December 2025, the Group did not have any significant contingent liabilities.

## **CHAIRMAN STATEMENT**

Dear Shareholders,

2025 is a year which I can reflect on a period of profound transformation for IRC Limited. This was a year defined by a clear contrast: significant operational success achieved against a backdrop of persistent and challenging external headwinds. While our financial results were impacted by market forces beyond our control, the strategic progress we have made, capped by a decisive strengthening of our balance sheet early in 2026, has positioned IRC on a much firmer and more resilient footing for the future.

### **Operational Transformation Delivers Record Results**

The single most important development of 2025 was the full integration and positive contribution from the new Sutara mine site. The successful ramp-up of operations at Sutara has been a game-changer. The high-quality ore from this site has fundamentally improved the feed for our processing plant, allowing us to overcome the geological constraints that previously limited K&S.

This operational achievement translated directly into record production and sales volumes for the full year. We are delighted to report that the strong operating momentum continued, resulting in an annual performance that surpasses any in our history. This volume growth is a testament to our team's ability to execute on complex projects and demonstrates the inherent quality of our asset base. Furthermore, the technical upgrades implemented during the Year, including the ongoing work to establish an on-site crushing and screening plant at Sutara and the setting up of our own mining fleet, have begun to improve our recovery rates and yield, enhancing our operational efficiency and laying the groundwork for sustainable cost improvements.

### **A Challenging Macroeconomic Environment**

It is deeply frustrating that this exceptional operational progress was not fully reflected in our financial performance. The external environment remained highly challenging throughout 2025. The iron ore market was characterised by persistent weakness, with prices under pressure due to subdued demand from China's struggling property sector and a well-supplied global market. This softer pricing environment significantly constrained our revenue growth despite the surge in sales volumes.

Simultaneously, we faced the ongoing challenge of a strong Russian Rouble. As the majority of our operating costs are Rouble-denominated, this currency strength resulted in a material increase in our US dollar-equivalent cost base. The appreciation of Rouble coupled with the lower achieved selling price per tonne meant that our operational leverage was muted. This situation clearly illustrates the powerful, and at times opposing, forces at play in our industry.

### **Financial Results and a Strengthened Balance Sheet**

Consequently, the robust increase in revenue from higher sales volume was partially offset by the macroeconomic factors. While our core operating performance improved, it was overshadowed by the need to recognise a non-cash asset impairment against K&S. This impairment, resulting from the revised long-term outlook incorporating the stronger Rouble, means the Company reports a loss for the year.

We have taken decisive action to fortify the Company's financial health for the long term. In early 2026, we successfully completed a non-fully underwritten rights issue. The proceeds from this exercise, received in February 2026, have significantly strengthened IRC's financial position, enhancing our liquidity and providing us with greater flexibility and resilience. This was a crucial step in ensuring we have the robust capital structure needed to navigate market volatility and pursue future opportunities.

### **Outlook: Cautiously Optimistic and Financially Stronger**

Looking ahead to 2026 and beyond, the near-term market outlook remains uncertain, with global economic conditions and iron ore demand continuing to present challenges. We do not expect the external headwinds to abate quickly.

However, the foundations of our business are now stronger than they have been for years. Operationally, we have the Sutara mine delivering high-quality ore, and we will continue to focus on driving efficiencies, optimising our new in-house mining fleet, and completing the crushing and screening plant to further reduce costs. Strategically, we now have a stronger balance sheet, thanks to the recent rights issue, providing the financial stability to withstand market pressures.

We remain focused on what we can control: safe, efficient production; prudent cost management; and disciplined capital allocation. Our world-class assets, our dedicated team, and our direct access to the Chinese market remain our core competitive advantages. With our operational platform transformed and our finances reinforced, IRC is well-positioned to deliver improved value for our shareholders when market conditions improve.

### **Acknowledgments**

I wish to extend my sincere gratitude to our employees for their resilience and hard work during a demanding year. I also thank our shareholders for their continued trust and support and our partners for their collaboration. We move into 2026 with a stronger company and a clearer path forward.

**Nikolai Levitskii**

*Chairman*

## **CEO AND CFO REPORT**

Dear valued Shareholders,

As we reflect on the financial year ended 31 December 2025, we are reporting a significant improvement in our operational performance. The year 2025 has been one of delivery, demonstrating the resilience and strategic focus of the IRC team against a backdrop of persistent market challenges.

Following a challenging transitional year in 2024, the successful commissioning of the Sutara mine in July 2024 has begun to yield substantial operating benefits. This, combined with our team's relentless focus on operational efficiency and targeted plant upgrades, have allowed us to navigate a volatile market environment and return to a stronger footing despite significant external pressures.

In 2025, although the K&S plant operated at 93% of its designed capacity to achieve a significant increase in sales volume, the Group recorded an adjusted underlying loss of US\$3.4 million. While IRC continues to maintain strong production and sales volumes, our financial performance is being challenged by adverse market conditions: declining iron ore prices and Rouble appreciation pressure. These headwinds have continued to impact our financial results.

### **Operating Summary**

The transition of mining operations from the depleting Kimkan deposit to the new, long-life Sutara mine was the defining event of 2024, and its positive impact has materialised in 2025. The Sutara deposit, with its superior ore quality and lower stripping ratio comparing to the depleting Kimkan deposit, has been a game-changer for our K&S, despite additional transport costs required for the Sutara ore to be delivered to the K&S plant.

Throughout 2025, access to this higher-grade ore dramatically improved the efficiency of our beneficiation process. Critically, this natural advantage was amplified by a series of targeted technical upgrades implemented at the K&S processing plant to fine tune the production process and improve the operating efficiency.

These improvements, synergistic with the superior ore from Sutara, have driven a material improvement in yield and operational stability. K&S's operating capability showed a sustained upward trend, achieving an average production rate of about 93% of the designed capacity in 2025. This operational stability has been the primary driver of our improved production and sales volumes.

As a result, total iron ore production for 2025 surged by 23.0% to 2,925,373 tonnes (2024: 2,377,519 tonnes). This increase in production directly fueled our sales, which rose by 25.0% to 2,928,251 tonnes (2024: 2,342,633 tonnes). This substantial growth in sales volume forms the cornerstone of our improved financial performance this year.

Furthermore, while the development of the Sutara complex continues, we are also pleased with the progress on our strategic initiative to purchase our own mining equipment. At the end of 2025, we have successfully launched the mining fleet which consists of one 22-cubic metre shovel, one 7-cubic metre shovel, and eleven trucks of which six are 220-tonne trucks and five are 130-tonne ones. Apart from these, two drill rigs have been operational, taking over about half of the drilling and blasting volume. This move, aimed at reducing our reliance on third-party contractors, is on track and is expected to contribute to long-term cost control and enhanced operational control in the coming years.

## **FINANCIAL SUMMARY**

### **Operating Results**

While the operational recovery was genuinely impressive, it has not translated directly into a much-improved financial performance. IRC recorded an adjusted EBITDA of US\$17.2 million for 2025, an increase of 84.9% compared to the US\$9.3 million reported in 2024. This positive result was driven by the 25.0% increase in sales volume and a significant 9.8% reduction in our cash cost per tonne. The mining cost alone decreased by 24.4%, directly reflecting the lower stripping ratio and higher ore quality at Sutara. These positive impacts partially offset the headwinds of a 6.4% decline in the average Platts 65% iron ore price, persistent high inflation in Russia, and the ongoing appreciation of the Russian Rouble against the US Dollar.

### **Assets impairments**

Impairment losses of US\$159.6 million were recorded in 2025. This impairment charge is mainly related to K&S and is primarily driven by the appreciation of the Russian Rouble against the US Dollar during the Year and change in the expected exchange rate going forward. As our operating costs are predominantly Rouble-denominated, a stronger Rouble results in higher forecasted operating costs when translated into US Dollars for our impairment model. It is critical to understand that this is an accounting provision only and does not represent a cash outflow.

### **Resolution of Dispute with EPC contractor**

We are also pleased to announce a significant milestone in resolving a legacy issue. During the Year, we reached an agreement with our EPC contractor regarding disputes that had been ongoing for years. As a result, the provision made for the dispute could be written back, allowing IRC to record a one-off gain of US\$29.9 million. This positive outcome brings closure to a protracted legal matter, and we are pleased that an amicable solution with the EPC contractor has been found.

### **Disposal of interest in a joint venture**

In line with our commitment to focus on our core business and optimise our asset portfolio, during the Year, IRC has disposed of its 46% equity interest in a loss-making joint venture company. As we have previously disclosed, the Group had fully provided for its interest in this joint venture in prior years due to its sustained poor financial performance. Consequently, the disposal resulted in a one-off cash gain of US\$4.2 million for the Group. This transaction allows us to recover 70% of our historical investment in the joint venture.

### **Underlying Results**

While we report a statutory loss of US\$131.5 million for the Year, this figure is heavily influenced by the aforesaid non-cash and non-recurring items. Excluding all such items, our adjusted underlying loss narrowed significantly to US\$3.4 million in 2025 from a loss of US\$15.4 million in 2024.

### **Liquidity Enhancement and Capital Management**

In light of the challenging operating environment, in the fourth quarter of 2025, we took decisive action to fortify our balance sheet and support our next phase of growth by conducting a rights issue to raise approximately US\$41.8 million. The rights issue was successfully completed in February 2026, securing sufficient funds for repaying the Group's borrowings and payables, which will not only allow the Group to meet the financial obligations when they fall due but will also improve the Group's financial position and enhance its profitability by reducing the burden of interest expenses. The rights issue was essential to stabilise the Company's finances.

Capital expenditure increased to US\$33.6 million (2024: US\$17.4 million), reflecting our investment in the finalisation of development of the Sutara mine, including the crushing and screening plant and the acquisition of our own mining fleet and drilling equipment. This investment is crucial for our long-term cost reduction and efficiency strategy.

## Outlook

Looking ahead to 2026, we are realistic about the challenges that lie ahead. The foundations for sustainable performance have been laid with the transition to Sutara and to substantially take over the mining works from the contractors. Our focus is now on execution and continuous improvement under difficult market conditions.

- **Operational Excellence and Cost Control:** Our primary goal is to fully capture the benefits of the Sutara mine. This includes the successful and timely commissioning of the Sutara crushing and screening plant to reduce hauling costs. We are also pushing forward with integrating our own mining fleet and drilling and blasting works to lessen our dependence on contractors and achieve further cost savings. Building on the success of our recent upgrades, our research and development programs will continue to identify further low-cost enhancements to boost plant capacity and reduce unit costs.
- **Managing External Risks:** We remain vigilant about the external environment. Geopolitical tensions and their impact on supply chains and procurement costs continue to be a risk we must navigate carefully. We are closely monitoring trade policies and their potential effect on market dynamics. While China's economic trajectory remains a crucial factor for global iron ore demand, we hope that its ongoing urbanisation and infrastructure needs will offer some level of support.
- **Financial Discipline:** With our strengthened balance sheet, the proceeds from the new rights issue, and improved operational cash flow, we are better-positioned to navigate uncertainties and fund our growth. We will continue to manage our debt prudently and allocate capital to initiatives that deliver the highest returns and strengthen our competitive position.

While 2025 was a year of recovery, we recognise that challenges remain. However, we are confident that with the Sutara mine now at the heart of our operations, a clear strategy for cost reduction, and a robust financial position, IRC is stronger and better equipped to deliver long-term value. We are committed to building on this momentum and driving sustainable growth for our stakeholders.

## Conclusion

We extend our deepest gratitude to our shareholders for their unwavering support, to our customers for their continued partnership, and most importantly, to the entire IRC team for their dedication and hard work that made this turnaround possible. Together, we have navigated a difficult period and emerged more resilient. We are focused on the future and remain determined to build a stronger IRC.

**Denis Cherednichenko**  
*Chief Executive Officer*

**Danila Kotlyarov**  
*Chief Financial Officer*

The Board hereby announces the annual audited results of the Group for the year ended 31 December 2025, which have been reviewed by the Company’s audit committee (the “Audit Committee”), comprising independent non executive directors, without disagreement and by the external auditor. The Audit Committee currently comprises three members, including Mr. Alexey Romanenko (Chairman), who possess the appropriate professional qualification, accounting and related financial management expertise in accordance with the requirements under the Listing Rules, Mr. Dmitry Dobryak and Mr. Vitaly Sheremet. The Board has authorised the Executive Committee, which comprises the Executive Director and senior management of the Company, to approve the annual results on its behalf.

## **2025 CONSOLIDATED FINANCIAL STATEMENTS**

### **CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*For the year ended 31 December 2025*

	<i>Notes</i>	<b>2025</b> <b>US\$'000</b>	2024 <i>US\$'000</i>
Revenue	4	<b>258,052</b>	221,156
Operating expenses, excluding depreciation		<b>(240,595)</b>	(211,519)
Depreciation		<b>(16,710)</b>	(17,600)
Impairment losses	7	<b>(159,610)</b>	–
Other income, gains and losses		<b>31,709</b>	(4,120)
Allowance for financial assets measured at amortised costs		<b>(35)</b>	(119)
Finance costs	8	<b>(4,589)</b>	(7,666)
Loss before tax		<b>(131,778)</b>	(19,868)
Income tax credit/(expense)	9	<b>180</b>	(643)
Loss for the year		<b><u>(131,598)</u></b>	<b><u>(20,511)</u></b>
Attributable to:			
Owners of the Company		<b>(131,468)</b>	(20,491)
Non-controlling interests		<b>(130)</b>	(20)
		<b><u>(131,598)</u></b>	<b><u>(20,511)</u></b>
Loss per share (US cents)	11		(Restated)
Basic		<b><u>(10.29)</u></b>	<b><u>(2.32)</u></b>
Diluted		<b><u>(10.29)</u></b>	<b><u>(2.32)</u></b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Note</i>	<b>2025</b> <i>US\$'000</i>	2024 <i>US\$'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Exploration and evaluation assets		<b>14,352</b>	20,608
Property, plant and equipment		<b>121,172</b>	269,871
Right-of-use assets		<b>12,934</b>	178
Interest in a joint venture		–	–
Inventories		<b>584</b>	–
Total non-current assets		<b>149,042</b>	290,657
<b>Current assets</b>			
Inventories		<b>54,245</b>	47,571
Trade and other receivables	12	<b>31,508</b>	46,869
Income tax recoverables		–	4
Time deposits		<b>698</b>	152
Bank and cash balances		<b>40,876</b>	60,582
Total current assets		<b>127,327</b>	155,178
<b>TOTAL ASSETS</b>		<b>276,369</b>	445,835

	<i>Notes</i>	<b>2025</b> <i>US\$'000</i>	2024 <i>US\$'000</i>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	<i>13</i>	<b>1,350,734</b>	1,350,734
Other reserves		<b>36,319</b>	35,207
Accumulated losses		<b>(1,201,265)</b>	(1,069,797)
		<u><b>185,788</b></u>	<u>316,144</u>
Equity attributable to owners of the Company			
<b>Non-controlling interests</b>		<u><b>(686)</b></u>	<u>(755)</u>
<b>Total equity</b>		<u><b>185,102</b></u>	<u>315,389</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings – due more than one year	<i>14</i>	–	25,518
Lease liabilities		<b>12,252</b>	54
Provision for close down and restoration costs		<b>4,840</b>	1,563
Deferred tax liabilities		<b>4,962</b>	5,308
		<u><b>22,054</b></u>	<u>32,443</u>
Total non-current liabilities			
<b>Current liabilities</b>			
Borrowings – due within one year	<i>14</i>	<b>28,073</b>	19,236
Lease liabilities		<b>1,490</b>	124
Trade and other payables	<i>15</i>	<b>39,336</b>	78,510
Current tax liabilities		<b>314</b>	133
		<u><b>69,213</b></u>	<u>98,003</u>
<b>Total current liabilities</b>			
		<u><b>69,213</b></u>	<u>98,003</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>276,369</b></u>	<u>445,835</u>

## Notes

### 1. GENERAL INFORMATION

IRC Limited (“the Company”) is a public limited company incorporated in Hong Kong and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 21 October 2010. The Company together with its subsidiaries are hereinafter referred to as the “Group”.

The address of the registered office of the Company is 6H, 9 Queen’s Road Central, Hong Kong.

The principal activity of the Company is investment holding. The Group is principally engaged in the production and development of industrial commodities products including iron ore concentrate that are used in industry across the world. The main activities of the Group are carried out in Russia and the Group predominantly serves the Russian and Chinese markets.

As of 31 December 2025, Axioma Capital FZE LLC (“Axioma Capital”), a company incorporated in United Arab Emirates with limited liability and is wholly owned by Mr. Nikolai Valentinovich Levitskii, holds 64.96% equity interest of the Company. The remaining 35.04% equity interest is held by public shareholders.

### 2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the requirements of the Companies Ordinance (Cap. 622).

The financial information relating to the years ended 31 December 2025 and 2024 included in this preliminary announcement of annual results 2025 do not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

- The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2025 in due course.
- The Company’s auditor has reported on the consolidated financial statements of the Group for both years. The auditor’s report for the year ended 31 December 2025 was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

The Group continues to adopt the going concern basis in preparing its consolidated financial statements. The Group meets its day-to-day working capital requirements through its facilities and borrowings. The current economic conditions continue to create uncertainty particularly over (a) the level of demand for the Group’s products; and (b) the availability of bank and other finance for the foreseeable future. The Group’s forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Further information on the Group’s borrowings is given in note 14.

### 3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

#### (a) Application of new and revised HKFRS Accounting Standards

The Group has adopted all of the new or amended HKFRS Accounting Standards and Interpretations issued by the HKICPA that are mandatory for the current reporting period. The Group has applied the amendments to HKAS 21 “Lack of Exchangeability” for the first time from 1 January 2025. There was no material impact to the consolidated financial statements as a result of the adoption of the abovementioned amended standard.

#### (b) Revised HKFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 December 2025 and which have not been early adopted by the Group for the annual reporting period ended 31 December 2025. The Group’s assessment of the impact of these new or amended HKFRS Accounting Standards and Interpretations, most relevant to the Group, are set out below:

	<b>Effective for accounting periods beginning on or after</b>
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Amendment to HKFRS 9 and HKFRS 7 – Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendment to HKAS 21 – Translation to a Hyperinflationary Presentation Currency	1 January 2027
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HK Int 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following.

#### ***HKFRS 18 “Presentation and Disclosure in Financial Statements”***

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements.

The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities’ net profit will not change.
- Management-defined performance measures (“MPMs”) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is currently assessing the impact of HKFRS 18, with respect to the structure of the Group's consolidated statement of profit or loss, the consolidated statements of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the consolidated financial statements. Preliminary assessments indicate the following key impacts:

- The Group will need to reclassify certain income and expense items (e.g., interest income on certain investments and foreign exchange gains/losses) into the new categories, namely investing and financing categories.
- The Group disclosed certain MPMs (e.g., adjusted underlying loss and adjusted EBITDA) in its results announcements and the annual report. Under HKFRS 18, this will likely require additional disclosure for the MPMs within the notes to the consolidated financial statements.
- The consolidated statement of cash flows will also be impacted, as the operating profit subtotal will be the required starting point for the indirect method.

#### 4. REVENUE

##### Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service line for the year is as follows:

<b>Revenue from contracts with customers within the scope of HKFRS 15</b>	<b>2025</b>	<b>2024</b>
	<i>US\$'000</i>	<i>US\$'000</i>
Disaggregated by major products or service lines		
– Sale of iron ore concentrate	<b>257,731</b>	220,954
– Engineering services	<b>321</b>	202
	<b>258,052</b>	221,156

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

<b>For the year ended 31 December</b>	<b>Mines in production</b>		<b>Engineering</b>		<b>Total</b>	
	<b>2025</b>	2024	<b>2025</b>	2024	<b>2025</b>	2024
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
<b>Primary geographical markets</b>						
– The People's Republic of China ("PRC")	<b>248,859</b>	205,162	–	–	<b>248,859</b>	205,162
– Russia	<b>8,872</b>	15,792	<b>321</b>	202	<b>9,193</b>	15,994
Revenue from external customers	<b>257,731</b>	220,954	<b>321</b>	202	<b>258,052</b>	221,156
<b>Timing of revenue recognition</b>						
Products transferred at a point in time	<b>257,731</b>	220,954	–	–	<b>257,731</b>	220,954
Products and services transferred over time	–	–	<b>321</b>	202	<b>321</b>	202
Total	<b>257,731</b>	220,954	<b>321</b>	202	<b>258,052</b>	221,156

## 5. SEGMENT INFORMATION

The chief operating decision maker has been identified as the Executive Committee of the Company. The Executive Committee review the Group's internal reporting for the purposes of resource allocation and assessment of segment performance which focused on the category of services/products provided to external customers. The Group has identified four reportable segments as follows:

- Mines in production – comprises an iron ore project in production phase. This segment includes the K&S Project which is located in the Russia Far East Region started commercial production in January 2017;
- Mines in development – comprises iron ore project in the exploration and development phase. This segment includes the Garinskoye project which is located in the Russia Far East region;
- Engineering – comprises in-house engineering and scientific expertise related to JSC Giproruda, which is located in Russia; and
- Other – primarily includes the Group's interests in a joint venture for the production of vanadium pentoxides and related products in the PRC as well as various other projects, which have similar economic characteristic and activities.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Segment results represent the results generated by each segment without the allocation of general administration expenses, general depreciation, other income, gains and losses, allowance for financial assets measured at amortised cost and finance costs.

Segment results represent the results incurred by each segment for the purpose of monitoring segment performance and performance assessment.

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than central cash and cash equivalents; and
- all liabilities are allocated to reportable segments other than deferred tax liabilities and borrowings.

Information about operating segment profit or loss, assets and liabilities:

	Mines in production US\$'000	Mines in development US\$'000	Engineering US\$'000	Other US\$'000	Total US\$'000
<b>Year ended 31 December 2025</b>					
Revenue from external customers	<u>257,731</u>	<u>–</u>	<u>321</u>	<u>–</u>	258,052
Segment loss	<u>(141,457)</u>	<u>(6,781)</u>	<u>(841)</u>	<u>(21)</u>	(149,100)
General administrative expenses					(9,634)
General depreciation					(129)
Other income, gains and losses					31,709
Allowance for financial assets measured at amortised costs					(35)
Finance costs					<u>(4,589)</u>
Loss before tax					<u>(131,778)</u>
<b>Other material items of income and expense</b>					
Subcontracted mining costs and engineering services	68,296	–	153	–	68,449
Staff costs	<u>38,252</u>	<u>144</u>	<u>586</u>	<u>20</u>	<u>39,002</u>
<b>Other material non-cash items</b>					
Depreciation	16,495	–	86	–	16,581
Impairment losses	<u>152,959</u>	<u>6,651</u>	<u>–</u>	<u>–</u>	<u>159,610</u>
<b>Additions to segment non-current assets</b>					
– Capital expenditure on property, plant and equipment and right-of-use assets	48,151	–	–	4	48,155
– Exploration and evaluation expenditure capitalised	<u>–</u>	<u>395</u>	<u>–</u>	<u>–</u>	<u>395</u>
<b>As at 31 December 2025</b>					
Segment assets	216,234	14,394	3,254	2,270	236,152
Central cash and cash equivalents					<u>40,217</u>
Consolidated total assets					<u>276,369</u>
Segment liabilities	42,108	119	167	15,838	58,232
Borrowings					28,073
Deferred tax liabilities					<u>4,962</u>
Consolidated total liabilities					<u>91,267</u>

	Mines in production US\$'000	Mines in development US\$'000	Engineering US\$'000	Other US\$'000	Total US\$'000
Year ended 31 December 2024					
Revenue from external customers	220,954	–	202	–	221,156
Segment profit/(loss)	3,241	(135)	(663)	(17)	2,426
General administrative expenses					(10,209)
General depreciation					(180)
Other income, gains and losses					(4,120)
Allowance for financial assets measured at amortised costs					(119)
Finance costs					(7,666)
Loss before tax					(19,868)
<b>Other material items of income and expense</b>					
Subcontracted mining costs and engineering services	75,392	–	112	–	75,504
Staff costs	26,181	129	430	15	26,755
<b>Other material non-cash items</b>					
Depreciation	17,342	–	78	–	17,420
<b>Additions to segment non-current assets</b>					
– Capital expenditure on property, plant and equipment and right-of-use assets	18,507	–	4	252	18,763
– Exploration and evaluation expenditure capitalised	–	112	–	–	112
As at 31 December 2024					
Segment assets	360,996	20,697	2,357	4,218	388,268
Central cash and cash equivalents					57,567
Consolidated total assets					445,835
Segment liabilities	68,899	95	200	11,190	80,384
Borrowings					44,754
Deferred tax liabilities					5,308
Consolidated total liabilities					130,446

### Geographical information:

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue		Non-current assets	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
PRC	248,859	205,162	–	–
Hong Kong	–	–	52	178
Russia	9,193	15,994	148,990	290,479
Consolidated total	258,052	221,156	149,042	290,657

## Revenue from major customer:

Revenue from major customer who has individually contributed to 10% or more of the total revenue of the Group are disclosed as follow:

	<b>2025</b> <i>US\$'000</i>	2024 <i>US\$'000</i>
Mines in production Customer A	<b>246,409</b>	198,827

## 6 OPERATING EXPENSES, INCLUDING DEPRECIATION

	<b>2025</b> <i>US\$'000</i>	2024 <i>US\$'000</i>
Site operating expenses and service costs	<b>247,542</b>	218,730
General administration expenses	<b>9,763</b>	10,389
	<b>257,305</b>	229,119

## 7. IMPAIRMENT LOSSES

The Group follows the requirements of HKAS 36 “Impairment of Assets” to consider whether there is indication of impairment or impairment reversal on the non-financial assets at each reporting period. In making this judgement, management considers whether an event or factor has occurred or any indicators that may affect the asset value, including but not limited to, change in production volumes, changes in the cash costs of production, available ore reserves, purity of the iron ore concentrate, forecasted iron and ilmenite prices, inflation and exchange rates. If any such indication exists, the management is required to estimate the recoverable amount of the asset or CGU which requires significant judgement.

In respect of K&S Project, indicators of impairment were noted largely due to the appreciation of Russian Rouble and consequently stronger exchange rate projections, which has increased operating costs forecast in US dollar terms.

The recoverable amount of the K&S Project has been determined based on value-in-use calculations. These calculations require the use of estimates of future cash flows based on projected income and expenses of the business and working capital needs that have taken into consideration the future economic conditions, expected production capacity, ore reserve estimates, iron ore prices and cost of production over the expected life of the mine. Management is also required to choose appropriate discount rates in order to calculate the present values of the cash flows. Changes in the key assumptions on which the recoverable amounts of the assets are based could significantly affect management’s assessment.

In determining the recoverable amount of the K&S Project as at 31 December 2025 and 2024 respectively, the Group used certain key assumptions and parameters, details of which are stated below:

	For the year ended 31 December		Basis and reason(s) for changes
	2025	2024	
Methodology	Income Approach	Income Approach	Consistent valuation approach has been applied.
Key Assumptions			
1. Average production volume per annum over the life of mine (per wet metric tonnes)	3,350kt	2,977kt	Determined based on the latest production plan and mining schedules. As at 31 December 2025, the long-term mining and production plans were optimised to increase the amount of mining works to maximise ore processing and concentrate production. Assumptions on concentrate yield from ore have also been updated to reflect actual operating results of processing Sutara ore and implemented technical measures to improve processing plant performance. As a result, average amount of rock mass moved and the average amount of concentrate produced increased compared to the plans as at 31 December 2024.
2. Platts 65% iron ore price (US\$ per dry metric tonne)	<b>2026 (Year 1): 118.2</b> <b>2027 (Year 2): 116.4</b> <b>2028-2030 (Year 3-5): average 117.8</b> <b>2031 and thereafter (Year 6 and onwards): 122.2 growing in line with the implicit GDP deflator in the United States with the nominal discount rate being applied</b>	2025 (Year 1): 112.6 2026 (Year 2): 107.4 2027-2029 (Year 3-5): average 107.2 2030 and thereafter (Year 6 and onwards): 113.6 growing in line with the implicit GDP deflator in the United States with the nominal discount rate being applied	For Year 1-5: Price is determined based on either iron ore forward curve or adjusted consensus iron ore price forecast, as appropriate.  For Year 6 and onwards: Price determined based on the latest forward-looking analysts' consensus on iron ore for future years available as at the end of the respective reporting periods, growing in line with implicit GDP deflator in the United States.
3. Russian Rouble exchange rate (to 1 US\$)	<b>2026 (Year 1): 89</b> <b>2027 (Year 2): 91</b> <b>2028-2030 (Year 3-5) average: 95</b> <b>2031 and thereafter (Year 6 and onwards): 99 growing according to the Purchase Power Parity principle based on the projected inflation rate in the United States and Russia</b>	2025 (Year 1): 103 2026 (Year 2): 105 2027-2029 (Year 3-5) average: 109 2030 and thereafter (Year 6 and onwards): 111 growing according to the Purchase Power Parity principle based on the projected inflation rate in the United States and Russia	Based on Purchasing Power Parity principle according to the projected inflation rates in the United States and Russia.
4. Rouble costs	Based on the latest actual costs and forecasts available such as forecast inflation rate, salary growth rate in Russia	Based on the latest actual costs and forecasts available such as forecast inflation rate, salary growth rate in Russia	Rouble-denominated actual costs, including but not limited to mining contractors' rates, wages, electricity and fuel, which increased substantially year-on-year in 2025, resulted in the increase of the cost base in the long-term forecast.

	For the year ended 31 December		Basis and reason(s) for changes
	2025	2024	
5. Forecast inflation rate	<p><b>Average over</b> <b>2027-2030:</b> <b>United States: 1.75%</b> <b>Russia: 4.66%</b> <b>2031 and thereafter:</b> <b>United States: 1.88%</b> <b>Russia: 4.05%</b></p>	<p>Average over 2026-2029: United States: 1.84% Russia: 3.78% 2030 and thereafter: United States: 1.83% Russia: 3.83%</p>	Determined based on forecast of the implicit GDP deflator in the United States and Russia applicable as at the end of the respective reporting periods.
6. Discount rate			
– nominal, pre-tax	<b>12.73%</b>	13.31%	Determined based on the weighted average cost of capital as calculated using the then prevailing market data, namely risk-free rate, equity risk premium, country risk premiums of Russia and China and cost of debt.
– real, pre-tax	<b>11.21%</b>	11.35%	

The decrease in discount rate was mainly due to the decrease in developed market equity risk premium as well as unlevered betas of the peer iron ore mining companies used for IRC beta calculation using bottom-up method.

As at 31 December 2025, the recoverable amount of the K&S Project is approximately US\$139.9 million (2024: US\$268.1 million) resulting in impairment loss of US\$152.9 million (2024: nil) on the property, plant and equipment being recognised in the year. The nominal pre-tax discount rate used was 12.73% (2024:13.31%).

Further, one of the exploration and evaluation assets amounting to US\$6,651,000 (2024: nil) has been fully impaired due to the revocation of the exploration license.

## 8. FINANCE COSTS

	2025 US\$'000	2024 US\$'000
Interest expense on borrowings	3,706	7,331
Interest expense on lease liabilities	599	8
Unwinding of discount on environmental obligation	284	327
	<b>4,589</b>	<b>7,666</b>

## 9. INCOME TAX CREDIT/(EXPENSE)

Income tax has been recognised in profit or loss as following:

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Current tax:		
Russian Corporate tax	<u>(285)</u>	<u>662</u>
	<u>(285)</u>	<u>662</u>
Deferred tax	<u>465</u>	<u>(1,305)</u>
	<u>180</u>	<u>(643)</u>

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

Russian Corporate tax is calculated at a rate of 25% (2024: 20%) of the estimated assessable profit. On 12 July 2024, Federal Law No. 176-FZ “On Amendments to Parts One and Two of the Tax Code of the Russian Federation” was adopted, providing for an increase in the Russian Corporate tax rate from 20% to 25% from 1 January 2025.

Based on the approved federal and regional laws in Russia, the K&S Project is considered to be an investment project and is eligible for income tax relief over 10 years starting from 2017. The K&S Project is exempted from Russian Corporate tax for the period from 2017 to 2021 and, will be taxed at a reduced rate of 10% for the following 5 years increasing to 25% thereafter.

No tax from other jurisdictions has been recognised as the Group had no assessable profit arising in or derived from any other jurisdictions for both years.

## 10. DIVIDENDS

No dividends were paid, declared or proposed to the owners of the Company during both years ended 31 December 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

## 11. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following:

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
<b>Loss</b>		
Loss attributable to owners of the Company for the purpose of calculating basic and diluted loss per share	<u>(131,468)</u>	<u>(20,491)</u>
<b>Number of shares</b>	<b>2025 '000</b>	2024 '000 (Restated)
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share and adjusted for rights issue and share consolidation	<u>1,277,949</u>	<u>884,246</u>

On 22 February 2024, all outstanding share options granted by the Company under its share option scheme adopted on 20 November 2015 were either lapsed or cancelled upon completion of a mandatory conditional cash offers made by AXIOMA CAPITAL FZE LLC (“Axioma Capital”).

The computation of weighted average number of shares for the purpose of diluted loss per share for the period from 1 January 2024 to the date of cancellation of share options did not assume the exercise of share options granted by the Group because the exercise price of those options was higher than the average market price for the Company’s shares.

As at 31 December 2024 and 31 December 2025, no dilutive effect is considered to the loss per share.

The weighted average number of ordinary shares for the purpose of basic and diluted loss per share has been adjusted to reflect for rights issue and share consolidation as detailed in note 13, but not retrospective adjusted for another rights issue as detailed in note 16(a) as which has no bonus element.

## 12. TRADE AND OTHER RECEIVABLES

	<b>2025</b> <i>US\$'000</i>	2024 <i>US\$'000</i>
Trade receivables	<b>12,294</b>	30,681
Value-added tax recoverable	<b>11,674</b>	10,195
Prepayments to suppliers	<b>7,188</b>	5,354
Amounts due from customers under engineering contracts	<b>4</b>	3
Other receivables	<b>348</b>	636
	<b>31,508</b>	46,869

The ageing analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	<b>2025</b> <i>US\$'000</i>	2024 <i>US\$'000</i>
Less than one month	<b>9,356</b>	12,299
One month to three months	<b>1,832</b>	18,382
Over three months to six months	<b>1,106</b>	–
	<b>12,294</b>	30,681

## 13. SHARE CAPITAL

	2025		2024	
	Number of shares	Amount <i>US\$'000</i>	Number of shares	Amount <i>US\$'000</i>
At 1 January	<b>12,779,485,885</b>	<b>1,350,734</b>	8,519,657,257	1,304,467
New shares issued (Note (a))	–	–	4,259,828,628	46,267
Share Consolidation (Note (b))	<b>(11,501,537,297)</b>	–	–	–
At 31 December	<b>1,277,948,588</b>	<b>1,350,734</b>	12,779,485,885	1,350,734

*Notes:*

- a) On 22 October 2024, the Company announced a rights issue (“Rights Issue”) to raise up to approximately US\$46.3 million after expenses by way of the issue of a maximum of 4,259,828,628 rights shares (“Rights Shares”) at a subscription price of HK\$0.085 per Rights Share on the basis of one Rights Share for every two existing shares on a non-underwritten basis.

The Board has received from Mr Levitskii, a non-executive Director, chairman of the Board and a controlling Shareholder, and his wholly owned and controlled corporation, Axioma Capital, an irrevocable undertaking. Mr Levitskii, through Axioma Capital, is interested in 4,836,157,937 shares of the Company (representing approximately 56.76% of all issued shares of the Company) before the Rights Issue. Pursuant to the irrevocable undertaking, Mr Levitskii and Axioma Capital have provided irrevocable and unconditional undertakings to the Company to, among other things, (i) accept, or procure Axioma Capital to accept its entitlements to the provisional allotment of an aggregate of 2,418,078,968 Rights Shares; and (ii) not to sell or transfer the shares held by Axioma Capital in any manner before the completion or lapse of the Rights Issue.

The Rights Issue was completed on 13 December 2024 in which the total number of 4,259,828,628 Rights Shares available for subscription under the Rights Issue have been fully subscribed for. As a result, the Company raised a net proceed of approximately US\$46.3 million and 4,259,828,628 Rights Shares were issued on 13 December 2024.

- b) Pursuant to the annual general meeting held by the Company on 25 June 2025, an ordinary resolution was passed to approve the Share Consolidation where every ten (10) issued ordinary shares of the Company were to be consolidated into one (1) ordinary share. The Share Consolidation took effect on 27 June 2025. For details of the Share Consolidation, please refer to the Company’s announcements dated 15 May 2025 and 25 June 2025, and circular dated 30 May 2025.

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total equity.

The externally imposed capital requirements for the Group are: (i) in order to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares; and (ii) to meet financial covenants attached to the interest-bearing borrowings.

Based on information available to the Company, the Company is in compliance with the 25% public float requirement throughout the year. As at 31 December 2025, 35.04% (2024: 35.04%) of the shares were in public hands.

## 14. BORROWINGS

	<b>2025</b> <i>US\$'000</i>	2024 <i>US\$'000</i>
Other loans	<b>28,073</b>	44,754
The borrowings are repayable as follows:		
	<b>2025</b> <i>US\$'000</i>	2024 <i>US\$'000</i>
Within one year	<b>28,073</b>	19,236
More than one year, but not exceeding two years	–	25,518
	<b>28,073</b>	44,754
Less: Amount due for settlement within 12 months (shown under current liabilities)	<b>(28,073)</b>	(19,236)
Amount due for settlement after 12 months (shown under non-current liabilities)	–	25,518

On 18 December 2018, the Group entered into two facility agreements with a bank, Gazprombank JSC, for a loan in aggregate of US\$240,000,000 (the “Facility”). The Facility will mature in 2026 and consists of two tranches. The principal under the first tranche amounts to US\$160,000,000 with interest being charged at the London Inter-bank Offer Rate (“LIBOR”) + 5.7% per annum and is repayable in equal quarterly payments during the term of the Facility, the final payment in December 2026. The principal under the second tranche amounts to US\$80,000,000 with interest being charged at LIBOR+7.7% per annum and is repayable in full at the end of the term, in December 2026. Interest charged on the drawn down amounts under the two tranches is payable in quarterly payments during the term of the Facility.

During 2022, Gazprombank JSC assigned its rights under the Facility to MIC invest LLC. The assignment has not resulted in any changes to the terms and conditions of the documentation for the Facility that the Group previously entered into.

On 22 February 2024, MIC invest LLC has disposed its entire interest in the shares of the Company to Axioma Capital, the new ultimate parent of the Company, under the mandatory conditional cash offer made by Axioma Capital. MIC invest LLC was no longer the substantial shareholder of the Company since 22 February 2024.

The full facility amount of US\$240,000,000 has been fully drawn down, and as of 31 December 2025, the total borrowings of US\$28,073,000 (2024: US\$44,754,000) was borne by LLC KS GOK, a wholly owned subsidiary of the Group.

During the fourth quarter of 2024, US\$5,000,000 was repaid to MIC invest LLC as early principal loan repayment of the second tranche amounts to US\$80,000,000.

Since 21 December 2024, following LIBOR was discontinued from 1 October 2024, the Group agreed with MIC invest LLC to charge the interest of the Facility at SOFR 90 + 6.2% per annum under the first tranche amounts to US\$160,000,000 and SOFR 90 + 8.2% per annum under the second tranche amounts to US\$80,000,000.

The Facility is secured by (i) a charge over the property, plant and equipment with net book value of US\$44,756,000; (ii) 100% equity share of LLC KS GOK, a wholly owned subsidiary of the Group; and (iii) pledge of the rights of certain bank accounts of LLC KS GOK.

The drawn down of the Facility is subject to the following requirements:

- a) LLC KS GOK must maintain an authorised capital not less than RUB9.1 billion;
- b) LLC KS GOK must provide quarterly reporting; and
- c) LLC KS GOK must meet the following financial covenants:
  - i) Net Debt/EBITDA ratio:
    - Starting from the twelve months period ended on 30 June 2022, of less than 3.0 times

Where:

- Net Debt is defined as short-term borrowed funds add long-term borrowed funds add leasing obligations less cash or cash equivalents; and
- EBITDA is defined as profit before tax for the last twelve months add interest expenses for the last twelve months less interest income for the last twelve months add depreciation for the last twelve months add adjustments to exclude exchange rate revaluation and other non-monetary items for the last twelve months and add lease payments for the last twelve months.

- ii) Debt Service Coverage Ratio (DSCR):

- Starting from the twelve months period ended on 30 June 2020 – not less than 1.2 times

where DSCR is defined as:

- Incoming cash balance add free cash flow of LLC KS GOK to the share capital add cash payments for servicing the principal debt add cash payments for interest payments; divided by
- Cash payments for servicing the principal debt add cash payments for interest payments.

Since the first quarter of 2022, breaches in meeting the financial covenants would permit MIC invest LLC, the lender of the loans to immediately call borrowings.

During the second and fourth quarter of 2024, and second and fourth quarter of 2025 thereafter, MIC invest LLC has ceased Net Debt/EBITDA ratio and the DSCR covenants requirements for the twelve months period ended on 30 June 2024, 31 December 2024, 30 June 2025, and 31 December 2025.

On 17 June 2024, MIC invest LLC has agreed to extend the repayment deadline of an installment originally due on 20 June 2024 to 26 June 2024. Afterwards, MIC invest LLC further extended the repayment deadline before every due date, on 25 June 2024, 15 July 2024, 31 July 2024 and 15 August 2024, to 16 July 2024, 31 July 2024, 15 August 2024 and 31 August 2024, respectively.

During the first quarter of 2025, apart from settling the scheduled loan principal repayment instalment of US\$4.8 million to MIC invest LLC, the Group also made voluntary early principal repayments to MIC invest LLC totaling of US\$12.0 million. The second tranche loan amounts to US\$80,000,000, that bears higher interest rate, has been fully repaid.

On 17 June 2025, 27 August 2025 and 10 December 2025, MIC invest LLC has agreed to extend the repayment deadline of all installments originally due on 20 June 2025, 20 September 2025 and 20 December 2025 to 20 March 2026 respectively.

## 15. TRADE AND OTHER PAYABLES

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Trade payables	14,321	12,108
Advances from customers	8,814	7,040
Interest payables	345	140
Construction cost payables	–	22,694
Accruals and other payables	15,856	36,528
	<u>39,336</u>	<u>78,510</u>

The ageing analysis of trade payables based on invoice date is as follows:

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Less than one month	12,202	8,738
One month to three months	1,870	2,979
Over three months to six months	225	232
Over six months	24	159
	<u>14,321</u>	<u>12,108</u>

## 16. EVENTS AFTER THE REPORTING PERIOD

### (a) Rights issue

On 24 October 2025, the Company proposed to raise up to approximately HK\$325.9 million (equivalent to approximately US\$41.8 million) before expenses by way of a rights issue to issue a maximum of 638,974,294 rights shares at a subscription price of HK\$0.51 per right share on the basis of one rights share for every two existing shares. The rights issue was non-fully underwritten by Axioma Capital, who had conditionally agreed to underwrite such number of rights shares which, together with the shares already held by Axioma Capital, would be up to and not exceeding 75% of the total enlarged number of issued shares of the Company at the completion of the rights issue.

The rights issue was completed on 6 February 2026 for which 638,974,294 rights shares had been issued and the Company had raised approximately HK\$325.9 million (equivalent to approximately US\$41.8 million) before expenses.

### (b) Other loans principal repayment

In February and March 2026, the Group made voluntary early principal repayments to MIC invest LLC totaling of US\$28.1 million to fully repay the other loans.

## **OTHER INFORMATION**

### **RESOURCES AND RESERVES INFORMATION**

In conjunction with rule 18.14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”), IRC has updated its Resources and Reserves information and further details are set out in the annual report of the Company to be published in due course.

### **CORPORATE GOVERNANCE**

Throughout the year, the Company has applied the principles and complied with the code provisions set out in Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “Model Code”). The Company has made specific enquiry of all the Directors regarding any non-compliance with the Model Code during the Year and they have confirmed their full compliance with the required standard set out in the Model Code.

The Company has also adopted the Model Code as the Code for Securities Transactions by Relevant Employees to regulate dealings in securities of the Company by certain employees of the Company, or any of its subsidiaries and holding companies, who are considered to be likely in possession of unpublished price sensitive information in relation to the Company or its securities.

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

During the Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares, if any). The Company did not hold any treasury shares during the year ended 31 December 2025.

## **PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT**

This results announcement is published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and of the Company ([www.ircgroup.com.hk](http://www.ircgroup.com.hk)). The annual report of the Company for the year ended 31 December 2025 containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and published on the above website in due course.

\* *Figures in this announcement may not add up due to rounding. All volume of tonnage used in this announcement, unless specify, refer to wet metric tonne. All dollars refer to United States Dollar unless otherwise stated.*

*Production volumes disclosed in this announcement are determined net of the excessive moisture content within the products, as shipped to the customers. Production rate of K&S is calculated based on an annual production capacity of approximately 3,155 thousand wet metric tonnes.*

By Order of the Board  
**IRC Limited**  
**Denis Cherednichenko**  
*Chief Executive Officer*

Hong Kong, People's Republic of China  
Wednesday, 25 March 2026

*As at the date of this announcement, the executive Director is Mr. Denis Cherednichenko. The Chairman and non-executive Director is Mr. Nikolai Levitskii. The independent non-executive Directors are Mr. Dmitry Dobryak, Ms. Natalia Ozhegina, Mr. Alexey Romanenko and Mr. Vitaly Sheremet.*

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