

**Audit Report on Financial Statements
issued by an Independent Auditor**

**ATLANTIC COPPER, S.L.
(Sole Shareholder Company)**

Financial Statements and Management
Report for the year ended
December 31, 2025



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AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and financial statements originally issued in Spanish (Note 22)

To the Sole Shareholder of ATLANTIC COPPER, S.L. (Sole Shareholder Company):

Opinion

We have audited the financial statements of ATLANTIC COPPER, S.L. (Sole Shareholder Company) (the Company), which comprise the balance sheet as at December 31, 2025, the statement of operations, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at December 31, 2025 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in note 2 to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those regulations are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Most relevant audit issues

Most relevant audit issues are those matters that, in our professional judgment, were the most significant assessed risks of material misstatements in our audit of the financial statements of the current period. These risks were addressed in the context of our audit of the financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these risks.

Inventory valuation

Description As explained in note 1 to the accompanying financial statements, the Company is primarily engaged in the metallurgical process of transforming copper concentrate as well as the marketing of metals, namely copper, gold, and silver obtained from transformation. Final products are treated as a commodity and their international price is established on organized markets, mainly the London Metal Exchange. At December 31, 2025, the Company had recorded inventories totaling 1,248,308 thousand euros in assets on the balance sheet. Inventories consist primarily of copper concentrate (raw material) transformed into anodes and cathodes. The Company values its inventories at the lower of cost or net realizable value.

Due to the significance of the amounts involved, the complexity of the accounting process, as well as of physically verifying and measuring the value of inventory, we determined this area to be one of the most relevant audit issues.

The related information and breakdown of inventories are provided in notes 4 d) and 7, respectively, to the accompanying financial statements.

Our

response

Our audit procedures included the following:

- ▶ Understanding inventory stock count and valuation procedures and analyzing the effectiveness of relevant related controls.
- ▶ Analyzing acquisition costs by tracing said costs to the purchase invoices for a significant sample of stocks.
- ▶ Performing substantive analytical tests of cost and margins.
- ▶ Verifying net realizable value on a sample basis by reviewing recent sales invoices issued after year end and up to the date we completed our work.
- ▶ Performing operations cut-off procedures at year-end to conclude whether inventories were recognized in the correct period.
- ▶ Attending physical inventories carried out at the Huelva plant to validate the stock counts conducted by company personnel.
- ▶ Reviewing the disclosures made in the notes to the financial statements in conformity with the applicable regulatory financial reporting framework.

Other information: management report

Other information refers exclusively to the 2025 management report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the financial statements.



Our audit opinion on the financial statements does not cover the management report. Our responsibility for the management report, in conformity with prevailing audit regulations in Spain, entails:

- a. Checking only that the non-financial statement has been provided as stipulated by applicable regulations and, if not, disclose this fact.
- b. Assessing and reporting on the consistency of the remaining information included in the management report with the financial statements, based on the knowledge of the entity obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact. Based on the work performed, as described in the above paragraph, the information contained in the management report is consistent with that provided in the 2025 financial statements and its content and presentation are in conformity with applicable regulations.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the management report is consistent with that provided in the 2025 financial statements and its content and presentation are in conformity with applicable regulations.

Directors' responsibilities for the financial statements

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

From the significant risks communicated with the Company's directors, we determine those that were of most significance in the audit of the financial statements of the current period and are therefore the most significant assessed risks.

We describe those risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

ERNST & YOUNG, S.L.
(Registered in the Official Register of
Auditors under No. S0530)

Fernando González Cuervo
(Registered in the Official Register of
Auditors under No. 21268)

April 7, 2026

ATLANTIC COPPER, S.L.U.

**Financial Statements and Management Report
for the fiscal year ended
December 31, 2025**

BALANCE SHEETS

Balance sheets as of December 31, 2025 and 2024
(Thousands of euros)

ASSETS	12/31/2025	12/31/2024	Notes	EQUITY AND LIABILITIES	12/31/2025	12/31/2024
NON-CURRENT ASSETS				EQUITY		
Intangible assets	690	796		Capital and Reserves		
Service concession arrangements	-	1,689		Share capital	64	64
Goodwill	3,417	2,629		Reserves		
Software	4,107	5,114	5	Legal reserve	13	13
Property, plant and equipment (PP&E)	21,507	21,452		10 c	13,095	13,095
Land and buildings	162,780	176,614		10 d	10,357	10,357
Plant and other PP&E items	315,591	177,709			23,465	23,465
PP&E under construction and prepayments	499,878	375,775	6	Accumulated deficit	(52,066)	(28,310)
Financial investments	344	220		Other equity holder contributions	109,241	109,241
Other financial assets	344	220		Result for the year	(32,361)	(23,756)
Deferred tax assets	9,564	5,820	14	Other equity instruments	(123)	(114)
				Total Capital and Reserves	48,220	80,589
TOTAL NON-CURRENT ASSETS	513,893	386,929		Translation differences	37,267	-
				Grants, donations and legacies	35,355	8,874
CURRENT ASSETS				TOTAL EQUITY	120,842	89,464
Inventory	860,646	724,999		NON-CURRENT LIABILITIES		
Raw materials and other consumables	313,456	285,971		Provisions		
Work in progress	55,088	70,773		Provisions for employee benefits	1,508	1,550
Finished products	18,160	308		Other provisions	24,133	20,815
Greenhouse gas emission rights	958	302			25,441	22,365
Suppliers advances	1,248,508	1,082,553	7	Borrowings		
Trade and other receivables				Other financial liabilities	28,690	42,734
Trade receivables	50,228	42,712	8		28,690	42,734
Other receivables, Group companies and associates	-	98	8	Non-current borrowings from Group companies and associates		
Receivables from employees	2,318	2,217	8	Borrowings from Group companies and associates	310,191	620,343
Current tax assets	1,143	60	14	Other liabilities from Group companies and associates	511	598
Other receivables from public administrations	12,323	3,366	14		310,702	620,741
	101,918	104,060		Deferred tax liabilities	5,731	2,856
Financial investments				TOTAL NON-CURRENT LIABILITIES	370,564	688,696
Derivatives	-	14,666	8 and 13.4	CURRENT LIABILITIES		
Prepaid and other current assets	387	91		Borrowings		
Cash and cash equivalents				Bank borrowings	377,330	30,680
Cash	36	775	9	Other financial liabilities	3,597	3,808
	1,350,649	1,201,945		Derivatives	14,415	-
TOTAL CURRENT ASSETS	1,864,542	1,588,874			395,342	34,488
TOTAL ASSETS				Current borrowings from Group companies and associates		
				Borrowings from Group companies and associates	51	114
				Other liabilities from Group companies and associates	4,915	4,255
					4,966	4,369
				Trade and other payables		
				Suppliers	755,046	578,022
				Suppliers, Group companies and associates	187,277	175,865
				Other payables	7,977	9,566
				Employee benefits payable	3,449	3,198
				Other payables to public administrations	3,977	-
				Customer advances	15,102	1,440
					972,828	771,687
				Current accruals	-	170
				TOTAL CURRENT LIABILITIES	1,375,136	810,714
				TOTAL EQUITY AND LIABILITIES	1,864,542	1,588,874

STATEMENTS OF OPERATIONS

Statements of Operations for the years ended December 31, 2025 and 2024
(Thousands of euros)

	Notes	12/31/2025	12/31/2024
Revenue			
Sales of goods	15 a	2,806,551	2,789,727
Changes in inventory of finished goods and work in progress		39,265	65,153
Work performed by the Company and capitalized	6	56,728	41,020
Cost of sales			
Consumption of raw materials and other consumables	15 b	(2,658,553)	(2,620,805)
Work performed by third parties		(3,629)	(3,550)
Impairment of raw materials and other consumables		(81)	(311)
		<u>(2,662,263)</u>	<u>(2,624,666)</u>
Other operating income			
Ancillary income		3,409	1,520
Grants related to income	15 c	9,141	4,831
		<u>12,550</u>	<u>6,351</u>
Employee benefits expense			
Wages and salaries		(49,799)	(46,481)
Social security costs		(15,541)	(14,975)
	15 d	<u>(65,340)</u>	<u>(61,456)</u>
Other operating expenses			
External services	15 e	(146,250)	(139,748)
Taxes		(1,479)	(1,379)
Losses and changes in trade provisions		(1,948)	(12)
Other expenses (greenhouse gas emissions)	7 and 11,3	(5,119)	(3,561)
		<u>(154,796)</u>	<u>(144,700)</u>
Depreciation and amortization	Note 5 and 6	(26,128)	(25,799)
Grants related to non-financial assets and other grants	Note 11	5,495	3,936
Provision surpluses	Note 12	-	80
Impairment and losses on disposal of non-current assets			
Losses on disposals	5 and 6	(308)	(801)
Other		(1)	(247)
Operating Profit		<u>11,753</u>	<u>48,598</u>
Finance income			
Capitalization of finance cost	5 and 6	10,831	7,280
Group companies and associates	18.1	165	216
Third parties		664	3,209
		<u>11,660</u>	<u>10,705</u>
Finance costs			
Borrowings from Group companies and associates	18.1	(21,662)	(24,854)
Credit institutions borrowings	13.1	(17,855)	(14,557)
Third-party borrowings		(2,585)	(2,224)
Discounting of provisions	6 and 12	(1,690)	(1,575)
		<u>(43,792)</u>	<u>(43,210)</u>
Exchange rate differences	16	(15,510)	(53,175)
Finance (cost) income		<u>(47,642)</u>	<u>(85,680)</u>
Result Before Tax		<u>(35,889)</u>	<u>(37,082)</u>
Income tax benefit (expense)	14	3,528	13,326
Result for the year	3	<u>(32,361)</u>	<u>(23,756)</u>

STATEMENTS OF CHANGES IN EQUITY

Statements of changes in equity for the years ended December 31, 2025 and 2024 (Thousands of euros)

A) Statements of recognized income and expenses for the years ended December 31, 2025 and 2024

	Notes	2025	2024
Result for the year	3	(32,361)	(23,756)
Income and expense recognized directly in equity			
Other equity instruments		(9)	(1,894)
Grants, donations, and legacies received	11	34,891	11,967
Tax effect	11	(2,988)	(2,282)
		<u>31,894</u>	<u>7,791</u>
Amounts transferred to the statements of operations			
Grants, donations, and bequests received	11	(5,524)	(4,064)
Tax effect	11	102	128
		<u>(5,422)</u>	<u>(3,936)</u>
Total amount transferred to the statements of operations		<u>26,472</u>	<u>3,855</u>
TOTAL RECOGNIZED LOSS		<u>(5,889)</u>	<u>(19,901)</u>

B) Statements of all changes in equity for the years ended December 31, 2025 and 2024 (Thousands of euros)

	Issued capital (Note 10)	Reserves (Note 10)	Accumulated deficit (Note 10)	Result for the year income (expense) (Note 3)	Other equity holder contributions (Note 10)	Other equity instruments (Note 17)	Translation differences (Note 10 f)	Grants, donations, and legacies received (Note 11)	TOTAL
Balance as of December 31, 2023	64	23,465	(28,955)	645	109,241	1,780	-	3,125	109,365
Total recognized income (loss)	-	-	-	(23,756)	-	(1,894)	-	5,749	(19,901)
Other changes in equity	-	-	645	(645)	-	-	-	-	-
Balance as of December 31, 2024	64	23,465	(28,310)	(23,756)	109,241	(114)	-	8,874	89,464
Total recognized (loss) income	-	-	-	(32,361)	-	(9)	-	26,481	(5,889)
Allocation of loss for the previous financial year	-	-	(23,756)	23,756	-	-	-	-	-
Other changes in equity	-	-	-	-	-	-	37,267	-	37,267
Balance as of December 31, 2025	64	23,465	(52,066)	(32,361)	109,241	(123)	37,267	35,355	120,842

CASH FLOW STATEMENTS

Cash flow statements for the years ended December 31, 2025 and 2024
(Thousands of euros)

	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Result before tax		(35,889)	(37,082)
Adjustments to result			
Depreciation and amortization	5 and 6	26,128	25,799
Provision variation	12	1,690	1,495
Other results		1	247
Gains from derecognition and disposals of non-current assets	11	(5,495)	(3,936)
Losses on disposal of non-current assets		308	801
Finance income		(11,660)	(10,705)
Finance costs	13 and 18.1	42,102	41,635
Exchange rate differences	16	15,510	53,175
Other expenses		5,200	3,872
		<u>73,784</u>	<u>112,383</u>
Changes in working capital			
Inventories		(166,036)	(201,432)
Trade and other receivables		5,670	(25,482)
Other current assets		14,370	(14,367)
Trade and other payables		201,140	316,729
Other current liabilities		9,126	(1,065)
Other		393	(4,492)
		<u>64,663</u>	<u>69,891</u>
Other cash flows provided by operating activities			
Interest paid	13	(42,102)	(41,635)
Interest collections		634	3,080
Other		165	216
		<u>(41,303)</u>	<u>(38,339)</u>
Cash flows provided by (used in) operating activities		<u>61,255</u>	<u>106,853</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments on investments			
Intangible assets	5	(1,363)	(1,858)
PP&E	6	(167,029)	(143,196)
Cash flows used in investing activities		<u>(168,392)</u>	<u>(145,054)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from equity-settled transactions			
Other equity instruments		(9)	(1,894)
Proceeds from (Payments for) financial liabilities	11	32,006	9,814
		<u>31,997</u>	<u>7,920</u>
Issuances			
Bank borrowings		2,612,981	1,818,029
Payable to Group companies and associates	13.2	280,839	1,423,150
Others		1,490	16,600
		<u>2,895,310</u>	<u>3,257,779</u>
Repayment and redemption of			
Bank borrowings		(2,252,222)	(1,824,325)
Payable to Group companies and associates	13.2	(527,481)	(1,365,348)
Other debts		(3,933)	(873)
		<u>(2,783,636)</u>	<u>(3,190,546)</u>
Cash flows provided by financing activities		<u>143,671</u>	<u>75,153</u>
NET FOREIGN EXCHANGE DIFFERENCE	16	(37,273)	(36,808)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>(739)</u>	<u>144</u>
Cash and cash equivalents as of January 1st	9	775	631
Cash and cash equivalents as of December 31st	9	<u>36</u>	<u>775</u>

NOTES TO THE FINANCIAL STATEMENTS

1. ACTIVITY

Atlantic Copper, S.L.U. (the Company) is the result of a series of corporate transactions carried out in 1997 to concentrate the interests of Freeport-McMoRan Inc. (FCX) and the Company (together, the Group) in Spain. These corporate transactions culminated with a takeover merger in compliance with Chapter 8, Title 8 of Law 43/95 of Spanish Corporation Tax Law, which for accounting purposes took place on January 1, 1997. The information required by Law 43/95 regarding the merger was disclosed in the 1997 financial statements. On December 22, 2011, Freeport-McMoRan Spain Inc. (the Parent and Sole Shareholder of the Company) changed the Company's legal status to that of a limited liability company.

The Company's main activity is the metallurgical transformation of copper concentrate, primarily to obtain copper anode and cathode, as well as the sale of other metals, mainly gold and silver obtained in the production transformation process corresponding to CNAE (National Classification of Economic Activities) 2444 "Copper Production" and 2013 "Production of other basic inorganic chemical products". The final product, copper cathode, is considered of the highest quality internationally. The final product is considered a commodity and its international price is fixed in organized markets, mainly the London Metal Exchange (LME) in United States dollars (\$US).

Transactions on the international copper market are in \$US, which is also the currency used on the LME. The LME is the Company's point of reference for the purchase prices of raw materials and the sale prices of finished products. Up to December 31, 2024, the Company's functional currency was the euro (EUR). Beginning January 1, 2025, the Company determined that its functional currency is the United States dollar (\$US), as it reflects the primary economic environment in which the Company operates. In addition, the majority of the Company's cash inflows, outflows and sources of financing are denominated and settled in \$US.

This change has been applied prospectively from January 1, 2025, in accordance with the applicable accounting regulations. These annual financial statements are presented in EUR; accordingly, the financial statements maintained in the functional currency (\$US) have been translated into EUR (the presentation currency) in accordance with Spanish accounting regulations, with the resulting translation differences recognized in equity.

The Company carries out its manufacturing activity at its Huelva, Spain, installations. The Company has been granted several administrative concessions in respect of the land where the installations are located (Note 5). On March 17, 2021, the Company acquired a new concession for the construction of a reception, preparation, and sampling plant for electrical and electronic copper material for the Circular Economy project (CirCular) described in the Management Report. This concession ends in 2060. On March 17, 2025, the Company obtained an additional concession for the unloading and storage of copper concentrate at the Ingeniero Juan Gonzalo dock in Huelva. This concession expires in 2075.

The Company belongs to a group of companies controlled by FCX, which was incorporated based on the laws of the state of Delaware (USA); its main office is located at 4340 E. Cotton Center Blvd., Suite 110, Phoenix, AZ 85040 (USA). The Parent, Freeport-McMoRan Spain Inc., was also incorporated in Delaware (USA); its head offices are also at 4340 E. Cotton Center Blvd., Suite 110, Phoenix, AZ 85040 (USA).

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

The annual accounts have been prepared in accordance with the regulatory framework of financial information applicable to the Company, which is the one established in the General Accounting Plan approved by Royal Decree 1514/2007, of November 16, which since its publication has been subject to several modifications, the latest of them by Law 7/2024, of December 20, and its implementing rules, as well as with the rest of the current commercial legislation and applicable to the Company.

These financial statements have been prepared by the directors of the Company and will be submitted to the Sole Shareholder for approval during the general shareholder's meeting. It is expected that they will be approved without modification.

As noted above, effective January 1, 2025, the Company's functional currency is the \$US and its presentation currency is the EUR.

The figures included are expressed in thousands of euros unless otherwise is indicated.

a) True and fair view

The accompanying financial statements have been prepared from the Company's accounting records in accordance with prevailing accounting legislation to present fairly its equity, financial position, and results. The statements of cash flows

NOTES TO THE FINANCIAL STATEMENTS

have been prepared to present fairly the origin and usage of the Company's monetary assets such as cash and cash equivalents.

b) Comparison of information

In compliance with Spanish mercantile law, for comparative purposes for each of the headings presented in the balance sheets, the statements of operations, the statements of changes in equity, the cash flow statements, and in the Notes thereto, include amounts for the previous year. The Notes likewise contain quantitative information for the previous year, unless an accounting standard specifically states that this is not required.

c) Critical issues concerning the assessment of uncertainty

The preparation of the Company's annual financial statements requires judgments, estimates, and assumptions, which affect the application of accounting principles and the balances of assets, liabilities, income, and expenses and the disclosure of contingent assets and liabilities at the reporting date.

These estimates and assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amount of the assets and liabilities that are not readily apparent from other sources. Estimates and assumptions are reviewed on an ongoing basis. However, given the uncertainty inherent in them, the need may arise to make significant adjustments to the carrying amounts of assets and liabilities affected in future periods should changes occur in the hypotheses or circumstances on which the resulting values were based.

The key assumptions regarding the future, in addition to other relevant information regarding uncertainty estimation at the reporting date, which represent a considerable risk that the carrying amounts of assets and liabilities may require significant adjustments in subsequent periods, are as follows:

Going concern

The Company's net equity was positive by 121 million EUR as of December 31, 2025, and positive by 89 million EUR as of December 31, 2024. The Company's operating working capital was negative 22 million EUR as of December 31, 2025 (2024: positive operating working capital of 391 million EUR). Positive net equity as well as availability of the unlimited credit lines with the Group (Note 13.2) allows the Company to finance its operations during the next year and to recover its investments in fixed assets with future income generation.

Additionally, Management notes that operating working capital, excluding borrowings and cash, totaled 378 million EUR as of December 31, 2025 (415 million EUR as of December 31, 2024). In turn, the movements and level of operating working capital is significantly influenced by the allocation of the Company's borrowings between non-current or long-term (usually with the Group and FCX) and current or short-term (primarily with Spanish third-party financial institutions). In this regard, Management considers operating working capital to be one of the primary indicators—among the most relevant—supporting the “going concern assumption” and a relevant metric (KPI) when assessing the existence, or otherwise, of indicators of asset impairment.

Impairment of non-current assets

The Company annually performs an assessment to determine whether there are any indicators of impairment of non-current assets. When such indicators exist, the recoverable amount (fair value) of the assets is determined in order to assess whether any impairment loss should be recognized.

In 2025, the Company did not identify any indicators of impairment in its non-current assets; therefore, no impairment tests were required and no impairment losses were recognized in this respect. Furthermore, goodwill was fully amortized during the 2025 financial year and, consequently, its net carrying amount as at December 31, 2025 is zero, with no amounts remaining subject to impairment analysis as at that date (Notes 5 and 6).

Obligations from the dismantling of installations

Annually, the Company evaluates the obligations derived from dismantling or removing its installations, as well as remediation costs, to determine resultant liabilities. To determine the amount of the provision, the Company evaluates scenarios and estimates of the discount rate and the expected dismantling costs, as well as the date in which they would be incurred (Notes 4, b, 6 and 12).

NOTES TO THE FINANCIAL STATEMENTS

Deferred tax assets

Deferred tax assets are recognized for all deductible temporary differences, loss carryforwards and deductions pending application, for which it is more likely than not that the Company will have future taxable profits that allow the application of these assets. Estimations are required to determine the amount of the deferred tax assets that can be registered. These estimations consider amounts and dates on when future taxable profits will be obtained, as well as the reversal period of the temporary differences (Notes 4.h and 14).

Calculation of fair value, value in use, and present values

Fair value, value in use, and present values are calculated based on assumptions related to the value of future cash flows and discount rates. These estimates and assumptions are based on historic experience and various other factors, which are considered reasonable given the circumstances.

3. DISTRIBUTION OF RESULTS

The proposal to be made to the Sole Shareholder at the annual general shareholder's meeting is that the result for the financial year 2025 be applied to:

<u>Thousands of euros</u>	<u>2025</u>
Accumulated deficit	(32,361)
Total	(32,361)

Limitations on the distribution of dividends

Companies are required to transfer 10% of the profit for the year to a legal reserve until this reserve reaches an amount equal to at least 20% of share capital. This reserve is not distributable to owners and may only be used to offset a debit balance on the statements of operations provided no other reserves are available (Note 10).

Once the legal and company by law requirements have been met, dividends may only be distributed against profit for the year or, freely distributable reserves or other equity holder contributions, if the value of equity is not lower than share capital or, would not become lower than share capital because of distributing dividends. Accordingly, profit recognized directly in equity can't be either directly or indirectly distributed. Where losses exist from previous years which reduce the Company's equity to below the amount of share capital, profit must be allocated to offset these losses (Note 10).

4. RECOGNITION AND MEASUREMENT ACCOUNTING POLICIES

a) Intangible assets

Goodwill

In accordance with the provisions of Royal Decree 602/2016, of December 2, the Company amortizes its goodwill systematically. Beginning in 2016, the Company began amortizing the book value of its goodwill over a period of 10 years (Note 5). Accordingly, the Company's goodwill was full amortized as of December 31, 2025 (see Note 5).

Concessions, patents, licenses trademarks and computer software

Intangible assets are recorded at acquisition price or production cost. Depreciation is calculated using the straight-line method based on the estimated useful life of the assets as follows:

	<u>Useful lives</u>
Service concession arrangements	5-20
Patents, licenses, trademarks	10
Computer software	5-10

NOTES TO THE FINANCIAL STATEMENTS

b) PP&E

The value attributed to PP&E acquired because of the corporate transactions in 1997 was based on the appraisals of independent experts. The cost of the assets received from the companies dissolved because of the merger was updated as permitted by applicable legislation, including Royal Decree Law 7/1996, of June 7.

PP&E acquired after the merger described in Note 1 are valued at acquisition price or production cost.

The production cost of PP&E manufactured by the Company includes the average acquisition cost of materials, as well as allocable direct and indirect costs. Under accounting regulations, the amounts incurred during the year for this concept are entered as a separate credit item for the full amount on the profit and loss account for the year. The costs of expanding, upgrading, or improving PP&E that increase their productivity, capacity, or efficiency, or prolong their useful life are capitalized as an increase in the cost of the related assets. In general, the Company's manufacturing facilities are subject to regular, sustained maintenance throughout the year, based on the technical specifications of each installation.

Certain of the production facilities of the Huelva installations must stop work to carry out maintenance and repairs. Costs related to replacements are recognized as assets, while any remaining carrying value of the replaced asset is derecognized. The amount of these replacements is amortized using the straight-line method during the useful life of the related asset. The last long-cycle shutdown took place during the first half of 2022 and the last short-cycle shutdown took place in the third quarter of 2024.

Repairs and maintenance expense are charged to the profit and loss account as incurred.

Interest and other financial charges incurred during construction, whenever it exceeds 12 months, and until related tangible assets are put into service, are recognized as an increase in the cost of construction.

The depreciation of PP&E is calculated using the straight-line method over the estimated useful lives of the assets, as follows:

	Estimated useful life (in years)
Buildings	33
Plant and machinery	5 - 25
Tools, furniture and other items	5
Other fixed assets	5

The Company recognized the present value of the estimated future obligations for the decommissioning of facilities and refurbishment of the area where its assets are located. Amortization is calculated on a straight-line basis over the period that the assets are estimated to be in operation, during which manufacturing activity is reasonably expected to continue (Note 6).

As mentioned in Note 2.c), during 2025 the Company did not identify any significant indicators of impairment in its non-current assets and, accordingly, no impairment tests were required nor were any impairment losses recognized.

c) Financial instruments

Financial instruments are recognized in the balance sheet by the Company when it becomes an obligated party to the contract or legal business in accordance with the provisions thereof, either as an issuer or as an investor or acquirer of the contract.

Financial assets

At the time of initial recognition, the Company classifies all financial assets in one of the categories listed below, which determines the applicable initial and subsequent valuation method:

- *Financial assets at fair value with changes in the profit and loss account*

Financial assets classified in this category are initially valued at fair value which, unless there is evidence to the contrary, is assumed to be the transaction price, which is equivalent to the amount paid. Directly attributable transaction costs are recognized in the profit and loss account for the period (i.e., not capitalized).

NOTES TO THE FINANCIAL STATEMENTS

After the initial recognition, the Company values the financial assets included in this category at fair value with changes in the profit and loss account (financial result).

The Company classifies in this heading the derivatives that are valued according to what is indicated in paragraph f) below.

- *Financial assets at amortized cost*

The Company's financial assets relate to loans and receivables from the sale of goods and services. They also include non-trade receivables defined as financial assets quoted in an active market which are neither equity instruments nor derivatives.

Financial assets are initially measured at fair value. Fair value, unless there is evidence to the contrary, is the transaction price, which is equivalent to the consideration paid plus directly attributable transaction costs.

After initial recognition, the financial assets included in this category are measured at their amortized cost.

Current non-trade receivables and advances and loans to personnel that do not have a contractual interest rate are carried at nominal value both at the initial and subsequent measurement, when the effect of not updating cash flows is insignificant.

Interest from financial assets is recognized as income in the statements of operations using the effective interest rate method.

Financial assets are remeasured if there is objective evidence that the value of a financial asset or a group of financial assets carried at amortized cost is impaired because of one or more events that occurred after the initial recognition of the asset or that led to a reduction or delay in estimated future cash flows.

Impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate upon initial recognition.

The Company writes off a financial asset when the contractual rights to the cash flows from the asset have either expired or been transferred. The Company must have transferred substantially all risks and rewards inherent in ownership.

- *Financial assets at cost*

Investments included in this category are initially valued at cost, which is equivalent to the fair value of the consideration delivered plus transaction costs directly attributable to them. That is, the inherent transaction costs are capitalized.

The subsequent valuation is also at cost, less, where appropriate, the cumulative amount of the valuation corrections for impairment.

Financial liabilities

At the time of initial recognition, the Company classifies all financial liabilities into one of the categories listed below:

- *Financial liabilities at amortized cost*

The financial liabilities of the Company are composed of credits and items to be paid that are initially valued at their fair value, which, unless evidence to the contrary, is the price of the transaction. Transaction costs that are directly attributable are part of the initial valuation. After initial recognition, financial liabilities classified as credits and items payable are valued at their amortized cost. Accrued interest is accounted for in the profit and loss account, applying the effective interest rate method.

- *Financial liabilities at fair value with changes in the profit and loss account*

Financial liabilities included in this category are initially valued at their fair value, which, unless there is evidence to the contrary, is assumed to be the transaction price, which is equivalent to the fair value of the amount received. Transaction costs directly attributable to them are recognized directly in the profit and loss account for the period. After initial recognition, the Company values the financial liabilities in this category at fair value with changes in the profit and loss account.

The Company cancels a financial liability, whatever its classification, when the obligation has been extinguished. The accounting for the write-down of a financial liability is carried out as follows: the difference between the carrying amount of the financial liability (or the part of it that has been cancelled) and the consideration paid, including attributable transaction

NOTES TO THE FINANCIAL STATEMENTS

costs, and in which any transferred assets other than the cash or liability assumed must also be included, is recognized in the profit and loss account for the period in which it takes place.

The Company classifies in this heading the derivatives that are valued according to what is indicated in paragraph f) below.

d) Inventory

Inventory includes:

- Raw materials - copper concentrate:

Valued at acquisition cost. At the time of acquisition, the payable copper from concentrate in supplies is valued at a future price (usually the average monthly price between one and three months from acquisition). The difference in the final valuation of the supplies purchased are adjusted in the value of stocks or as higher or lower raw material consumption, depending on the case.

- Work in progress and finished goods - copper:

Valued at weighted-average production cost. Production costs include the cost of materials used, labor costs as well as direct and indirect costs that can be reasonably allocated to production to the extent that they relate to the manufacturing period and are based on the level of utilization of the normal working capacity.

- Work in progress - precious metals:

Valued at acquisition cost. The total cost of the gold- and silver- bearing by products (slimes) obtained from copper production do not include handling or labor costs. At each month end the value of metals the slime contain is calculated at future prices based on the predetermined quotation periods.

- Other consumables

Warehouse stocks are valued at acquisition price, in accordance with the weighted-average cost method. The necessary impairment provisions are recognized based on the condition of the inventories (obsolescence) or turnover (slow-moving). When the acquisition price or production cost is higher than market prices, a corresponding provision is recorded for the difference.

- Greenhouse gas emission rights

By virtue of Law 1/2005, of March 9, the Ministry of the Environment established a regulatory framework for the greenhouse gas emission rights market for certain activities, including copper production. The company's facilities are subject to this market and because it is a sector with a significant risk of carbon leakage, it receives 100% of the allocation of greenhouse allowances free of charge. Facilities that have issued less than the number of rights they hold may sell their excess rights to other participants within the system.

In accordance with the Resolution of May 28, 2013 of the Institute of Accounting and Auditing of Accounts and the Royal Decree 602/2016, the greenhouse gas emission rights that are received free of charge are initially recognized for their market value as "Inventory" (Note 7) and simultaneously the same amount in the net equity. In addition, the application of these rights represents an expense for greenhouse gas emissions for the same amount, which is recognized in "Other expenses (greenhouse gas emissions)". The net equity will be as well transferred to the income statement under "Grants related to non-financial assets and other grants".

e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, in banks, deposits and other cash equivalents with the following characteristics:

- They are convertible to cash.
- At the time of their acquisition their due date was less than three months.
- They are not subject to significant changes in value.
- They are part of the Company's general treasury policy.

NOTES TO THE FINANCIAL STATEMENTS

For the cash flow statement occasional bank overdrafts as part of the cash management of the Company are considered cash and cash equivalents.

f) Forward hedging contracts

The Company arranges forward hedging contracts on the LME to hedge the effect of future metal price fluctuations on its physical metal purchases and sales.

At each month end, the Company updates its open positions using forward quoted prices of metals (mark-to-market) based on the maturities of each contracted position. The valuation is recognized in the balance sheet under “Derivatives” (Note 13.4) in either current assets or current liabilities. Any gain or loss resulting from the difference between the price of the metals on the LME and the hedging contract is recognized in the statements of operations under “Consumption of raw materials and other consumables.”

g) Transactions in a foreign currency

Presentation currency

The presentation currency of the Company’s financial statements is the EUR, in accordance with the applicable financial reporting framework. Because the Company’s functional currency differs from the EUR, translation into the presentation currency is performed pursuant to NRV 11 “Foreign currency” of the Spanish GAAP (Plan General Contable or PGC) and the criteria applicable to translating financial statements whose functional currency differs from the presentation currency.

Functional currency

The functional currency is the currency of the primary economic environment in which the Company operates—i.e., the currency that best reflects the cash inflows and outflows it generates and uses. Determining the functional currency requires the application of professional judgment and a reasonable analysis of relevant economic and operational indicators.

For this purpose, Management has carried out a technical assessment of the functional currency based on: (i) a detailed evaluation of relevant indicators; and (ii) reinforcement of the available support and evidence, with the objective of ensuring that the currency identified faithfully reflects the Company’s primary economic environment.

As a result of this assessment, Management has concluded that, effective January 1, 2025, the \$US most faithfully reflects the Company’s primary economic environment and, therefore, has been determined to be its functional currency from that date.

Additionally, Management considers that the premises applied in prior periods were reasonable in light of the information, evidence and financial reporting systems available at that time.

Consequently, the new functional currency assessment has been applied prospectively from January 1, 2025; therefore, the comparative figures for the preceding year have not been modified.

Translation method (presentation currency)

To present the annual accounts in EUR in a consistent, traceable and operationally sustainable manner, the Company applies the following translation methodology, using the simplifications permitted by prevailing regulations where they provide a reasonable approximation of the applicable exchange rates. This approach is adopted without prejudice to the reliability, reasonableness and fair presentation, in all material respects, of the financial information, and while maintaining an adequate level of evidentiary support for verification.

The exchange rates used (closing and, where applicable, the period average) are obtained from public and verifiable external sources, and evidence of their retrieval is retained. The Company documents the source employed (e.g., official references or a financial data provider), the calculation methodology and the files containing reproducible calculations.

NOTES TO THE FINANCIAL STATEMENTS

In accordance with the above, translation of these financial statements from \$US (functional currency) into EUR (presentation currency) has been performed by applying, unless exceptional events or circumstances exist, the following rules:

(i) Assets and liabilities

Assets and liabilities are translated at the closing exchange rate for the period (spot rate at the reporting date).

(ii) Income and expenses

Income and expenses are translated, in principle, at the weighted average exchange rate for the period, provided it is representative of the rates prevailing at the dates of the underlying transactions; that is, provided there have not been significant exchange-rate fluctuations during the period, nor individually significant transactions in terms of amount or timing that would distort the financial information, given that the Company's revenue and expense flows follow a highly regular pattern over the year.

(iii) Equity and translation difference

Equity items are translated at historical exchange rates according to the nature of each item. The difference arising between the net amount of translated assets and liabilities and the translated equity items is recognized in equity under "Translation differences" (i.e. "Cumulative Translation Differences" or "CTA").

Comparative information

As indicated above, the change in functional currency has been applied prospectively from January 1, 2025. Consequently, the comparative figures for the preceding year are presented in the functional currency determined for that period and have not been modified. This application does not affect, in quantitative or qualitative terms and considering all material respects, the fair presentation of these annual accounts and, therefore, does not impair their reasonableness.

In particular, it should be noted that this change does not fall within NRV 22 (changes in accounting policies and errors) of the Company's applicable financial reporting framework; accordingly, it is not appropriate to restate comparative information or to recalculate historical tax credits in EUR.

h) **Income tax**

Income tax expense for the year is calculated as the total of current tax, resulting from applying the corresponding tax rate to taxable income for the year, less any applicable rebates and deductions, considering changes in recognized deferred tax assets and liabilities, and any adjustments in the tax quota that may arise from previous periods. Income tax expense is recognized in the statements of operations except when the tax is directly related to equity, in which case the tax is recognized accordingly in this heading.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities taking the tax rates prevailing at the balance sheet date and including any tax adjustments from previous years.

Deferred income tax is recognized using the liability method on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts. The tax base of an asset or liability is the amount attributed to it for tax purposes.

The Company recognizes deferred tax assets for all deductible temporary differences, unused tax credits, and unused tax loss carry forwards, to the extent that it is probable that future taxable profit will be available against which these assets may be utilized.

At each financial year end, the Company assesses the deferred tax assets recognized and those that have not yet been recognized. Based on this analysis, the Company derecognizes the asset recognized previously if it is no longer probable that it will be recovered or recognizes any deferred tax asset that had not been recognized previously, if it is probable that future taxable profit will be available against which these assets may be utilized.

As of December 31, 2025 and 2024, deferred tax liabilities refer to the adjustments made to equity corresponding to grants, while the deferred tax assets correspond to the tax credit generated by the loss carryforwards, deductible temporary differences, and grants that the Company will offset in subsequent years (Note 14).

NOTES TO THE FINANCIAL STATEMENTS

The Company has made estimations of the benefits to be obtained in the subsequent year according to its budgets. These estimations are calculated in \$US, functional currency of FCX, and are used as the base for the income tax calculations to make the necessary adjustments in determining taxable income in euros. Given the uncertainty in the key hypothesis, because of market values in which the Company has no control, and the history of tax losses, the directors decided not to record the deferred tax assets related to deductible temporary differences, loss carryforwards and fiscal deductions mentioned in Note 14 which are recoverable in 2026 amounting to 1,473 thousand, 1,188 thousand and 1,206 thousand euros, respectively.

Deferred tax assets and liabilities are not discounted and are classified as non-current in the balance sheet.

i) Income and expenses

The Company recognizes revenue and expenses on an accrual basis — that is, when they are earned or incurred, respectively—regardless of the timing of the related cash inflows or outflows. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Revenue recognition process

To determine whether revenue should be recognized, the Company applies the five-step model prescribed by the applicable financial reporting framework (based on IFRS 15 Revenue from Contracts with Customers):

- 1 Identification of the contract with a customer.
- 2 Identification of the performance obligations.
- 3 Determination of the transaction price.
- 4 Allocation of the transaction price to the performance obligations.
- 5 Recognition of revenue when (or as) the performance obligations are satisfied.

Revenue from the sale of goods

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Revenue from the provision of services

Service revenue is recognized by reference to the stage of completion at the reporting date, provided the outcome of the transaction can be estimated reliably.

Borrowing costs (capitalized interest)

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets—assets that necessarily take a substantial period of time to be ready for their intended use or sale—are capitalized as part of the cost of those assets until they are substantially ready for their intended use or sale, or development is suspended. Interest income earned on the temporary investment of specific borrowings pending their use in qualifying assets is deducted from the borrowing costs eligible for capitalization.

Where funds are obtained from general borrowings, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on the qualifying asset. This rate is the weighted average of the interest rates applicable to the Company's borrowings outstanding during the period, excluding those borrowings specifically arranged to finance particular assets. In all cases, the borrowing costs capitalized during the period must not exceed the total interest expense incurred in that same period.

j) Provisions and contingencies

Provisions are recognized in the balance sheet when the Company has a present obligation (derived from a contract through its explicit or implicit terms, legislation, or other operation of law) because of past events and it is probable that a quantifiable outflow of resources will be required to settle the obligation.

NOTES TO THE FINANCIAL STATEMENTS

Provisions are measured at the present value of the best estimate of the amount that an entity would rationally pay to settle the obligation at the balance sheet date or to transfer it to a third party at that time, recognizing provision discount adjustments as a finance cost as they accrue. No discounts are made on those provisions falling due within one year that do not have a significant financial effect.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Contingent liabilities are those possible obligations that arise because of past events, whose materialization depend upon future events that are not entirely controlled by the Company. Additionally, contingent liabilities are those present liabilities that arise because of past events, for which the future outlay or settlement is not considered probable, or for which it is not possible to reliably estimate its value. These liabilities are not recognized in the balance sheet but explained in the notes to the financial statements, except when the probability of outlay of resources is classified as remote.

Provision for cost of dismantling installations

The Company has recognized a provision for cost of dismantling its facilities and refurbishment of the area where they are located. The amount of the obligation is calculated using hypothesis and estimations related to the discount rate and the estimated cost of dismantling (Notes 4.b and 12).

k) Environmental assets and liabilities

Costs relating to decontamination and restoration work in contaminated areas, as well as the elimination of waste and other costs incurred to comply with environmental protection legislation are expensed in the year to which they relate, unless they correspond to purchases of assets included in the balance sheet to be used over an extended period, in which case they would be recorded in the corresponding heading under "Property, plant and equipment" and depreciated using the same criteria described in paragraph b) above.

As of December 31, 2025, the Company had no environmental-related liabilities or contingencies.

l) Provisions for employee benefits

Pensions and similar commitments

The Company has commitments to supplement social security pensions under the collective labor agreement of the Huelva plant for certain employees that rendered services to the Company or the beneficiaries of those employees.

In addition, the Company has commitments to supplement social security pensions for the employees who have been deemed totally and permanently disabled from their habitual work. The duration of this commitment, according to the applicable regulations per the collective labor agreement, is indefinite, from the effective date of insurance, until the death of the assured employee or their beneficiaries, or until the expiration date of the assured benefits, if earlier.

The collective labor agreement for the Company's personnel includes a loyalty bonus consisting of an extra month of salary for 25 years of uninterrupted service to the Company, as well as two months of salary after 30 years. The related commitments are accrued on a straight-line basis over the period during which they are generated, assuming no staff turnover.

Additionally, the Company contributes established salary percentages to pension plans instrumented through single premium insurance contracts to certain employees (defined contribution pension plans). Contributions to those plans are charged to the statements of operations in accordance with the accrual principle.

Dismissal indemnities

Under current labor legislation in Spain, the Company is required to pay indemnities to employees whose contracts are terminated under certain conditions. Reasonably quantifiable indemnity payments are recognized as an expense in the year in which the Company creates a valid expectation on the part of the affected third parties that the dismissals will occur. As of December 31, 2025, there were no provisions for this concept.

NOTES TO THE FINANCIAL STATEMENTS

m) Grants

Non-repayable grants are recognized directly in equity, net of the corresponding deferred tax effect, when the Company has substantially met the established requirements for receiving these grants. When the grant relates to an asset, the fair value is initially recognized as "Other non-current liabilities" and then recognized as income in the statements of operations in proportion to the depreciation charged for the assets for which the grants were used (Note 11.1).

This also includes the difference between the nominal value and the amortized cost of loans from public administrations, which are investments in property, plant, and equipment earning interest at more advantageous rates, compared to prevailing market rates (Note 11.2).

n) Equity-settled transactions

FCX has initiated several stock-based compensation plans for employees of the Group, including directors and executives of the Company and allocates the related cost to the Company, which is recognized in the statements of operations, or in equity, as appropriate. (Note 17).

o) Classification of current and non-current assets and liabilities

Assets and liabilities are classified in the balance sheet as current when they meet the following conditions:

- amounts are associated with the Company's operating cycle and it is expected they will be sold, consumed, realized, or settled within the normal course of that cycle (the Company's normal operating cycle is no longer than one year);
- the asset or liability is expected to mature, to be sold or realized within one year after the balance sheet date; or
- they are held for trading or are cash and cash equivalents whose use is not restricted for over one year.

All others are classified as non-current assets and non-current liabilities. The normal operating cycle is generally less than one year.

p) Related party transactions

Related-party transactions are measured as per the principles described above.

The prices of related-party transactions are adequately documented; hence, the Company's directors consider there to be no risk of significant liabilities arising from these (Note 18).

NOTES TO THE FINANCIAL STATEMENTS

5. INTANGIBLE ASSETS

The movement in intangible assets in 2025 and 2024 and the related accumulated amortization is as follows:

	Thousands of euros					Balance at 12-31-2025
	Balance at 01-01-2025	Increases or provisions	Decreases or reductions	Transfers and other	Translation differences	
2025:						
Cost:						
Concessions	2,939	-	-	-	(33)	2,906
Goodwill (Note 4.a)	83,457	-	-	-	(14,972)	68,485
Computer software	6,734	679	(6,538)	1,938	684	3,497
Intangible assets in progress	2,149	684	-	(1,938)	(58)	837
Total cost	95,279	1,363	(6,538)	-	(14,379)	75,225
Accumulated amortization:						
Concessions	(2,143)	(82)	-	-	9	(2,216)
Goodwill	(81,768)	(1,442)	-	-	14,725	(68,485)
Computer software	(6,254)	(312)	6,538	-	(889)	(917)
Total accumulated amortization	(90,165)	(1,836)	6,538	-	13,845	(71,618)
Net amount	5,114					4,107

	Thousands of euros					Balance at 12-31-2024
	Balance at 01-01-2024	Increases or provisions	Decreases or reductions	Transfers and other		
2024:						
Cost:						
Concessions	2,939	-	-	-	-	2,939
Goodwill (Note 4.a)	83,457	-	-	-	-	83,457
Computer software	6,460	403	(129)	-	-	6,734
SAP HANA	694	1,455	-	-	-	2,149
Total cost	93,550	1,858	(129)	-	-	95,279
Accumulated amortization:						
Concessions	(1,795)	(348)	-	-	-	(2,143)
Goodwill	(80,079)	(1,689)	-	-	-	(81,768)
Computer software	(6,307)	(76)	129	-	-	(6,254)
Total accumulated amortization	(88,181)	(2,113)	129	-	-	(90,165)
Net amount	5,369					5,114

In 2025, the Company recognized additions to computer software, mainly related to the implementation of the SAP HANA (High-Performance Analytic Appliance) ERP system. Transfers mainly reflect the reclassification from computer software under development to computer software. Disposals correspond to the decommissioning of the previously used SAP R/3 ERP system, which was retired following its replacement by the new version.

Additions to intangible assets under development recognized in 2024, amounting to 1,455 thousand EUR, relate to costs incurred in the implementation of SAP HANA. The system was brought into operation in February 2025.

NOTES TO THE FINANCIAL STATEMENTS

Goodwill is fully allocated to the cash-generating unit comprising the Company's business activity, as mentioned in Note 1 to these annual accounts.

Since January 1, 2016, goodwill has been amortized over a period of 10 years (Note 4.a). The amortization charge for the 2025 financial year amounted to 1,442 thousand EUR (2024: 1,689 thousand EUR) and is recognized under the caption "Amortization of non-current assets" in the income statement. During 2025, the Company's goodwill was fully amortized, therefore, its carrying amount at December 31, 2025 is nil.

Administrative concessions

The Company owns several administrative concessions in Huelva for its technical installations, which expire between 2033 and 2075.

Fully depreciated intangible assets

As of December 31, 2025, the value of fully depreciated intangible assets amounts to 2,229 thousand EUR (2024: 7,678 thousand EUR).

For the year ended December 31, 2025, capitalized interest charges for intangible assets totaled 18 thousand EUR (2024: 81 thousand EUR).

NOTES TO THE FINANCIAL STATEMENTS

6. PP&E

The movement in the various items in 2025 and 2024 and the related accumulated depreciation are as follows:

2025:

	Thousands of euros					Balance at 12-31-2025
	Balance at 01-01-2025	Increases or provisions	Decreases or reductions	Transfers and other	Translation differences	
Cost:						
Land and buildings	39,262	-	(80)	620	219	40,021
Plant and other PP&E items	625,951	-	(4,562)	15,989	26,543	663,921
Cost of dismantling installations	-	1,786	-	-	(70)	1,716
PP&E under construction and prepayments	177,709	176,074	(19)	(16,609)	(21,564)	315,591
	<u>842,922</u>	<u>177,860</u>	<u>(4,661)</u>	<u>-</u>	<u>5,128</u>	<u>1,021,249</u>
Accumulated depreciation:						
Buildings	(17,810)	(1,759)	77	-	(738)	(20,230)
Plant and other PP&E items	(449,337)	(22,533)	4,255	-	(33,526)	(501,141)
Total accumulated depreciation	<u>(467,147)</u>	<u>(24,292)</u>	<u>4,332</u>	<u>-</u>	<u>(34,264)</u>	<u>(521,371)</u>
Net amount	<u><u>375,775</u></u>					<u><u>499,878</u></u>

2024:

	Thousands of euros					Balance at 12-31-2024
	Balance at 01-01-2024	Increases or provisions	Decreases or reductions	Transfers and other		
Cost:						
Land and buildings	33,889	-	(143)	5,516	-	39,262
Plant and other PP&E items	613,274	-	(28,630)	41,307	-	625,951
Cost of dismantling installations	-	-	-	-	-	-
PP&E under construction and prepayments	74,239	150,476	(183)	(46,823)	-	177,709
	<u>721,402</u>	<u>150,476</u>	<u>(28,956)</u>	<u>-</u>	<u>-</u>	<u>842,922</u>
Accumulated depreciation:						
Buildings	(16,205)	(1,741)	136	-	-	(17,810)
Plant and other PP&E items	(455,411)	(21,945)	28,019	-	-	(449,337)
Cost of dismantling installations	-	-	-	-	-	-
Total accumulated depreciation	<u>(471,616)</u>	<u>(23,686)</u>	<u>28,155</u>	<u>-</u>	<u>-</u>	<u>(467,147)</u>
Net amount	<u><u>249,786</u></u>					<u><u>375,775</u></u>

The additions for the 2025 and 2024 fiscal years mainly correspond to work related to the CirCular project, which included an electronic scrap treatment plant which, as at the end of the 2025 financial year, was not yet ready to be placed into service. Other significant investments during the year included the refurbishment of the multicoil of one of the smelter furnace dryers, the implementation of a lime injection system in the ventilation of the flash furnace tapholes, and the compressor and dryer replacement project within the Huelva metallurgical complex. In 2024, the most significant investments were the refurbishment of the new liquid effluent treatment plant and the acquisition of a new primary hood for the converter area.

NOTES TO THE FINANCIAL STATEMENTS

The most significant reductions in 2025 were associated with the replacement of various assets. The most significant disposals in the 2024 financial year were mainly related to work carried out in connection with the third-quarter 2024 shutdown.

According to the estimations and projections available to the Company's directors, as mentioned in Note 4.b, there were no indicators of impairment during 2025.

As of December 31, 2025, the cost of fully depreciated PP&E totaled approximately 211,169 thousand EUR (2024: 189,896 thousand EUR), which corresponds to technical installations and other PP&E items.

As of December 31, 2025, capitalized interest charges for PP&E totaled 10,392 thousand EUR (2024: 7,199 thousand EUR).

The Company ensures the value of its PP&E is based on an independent expert's valuation, as well as reports issued to support the quantification of the value of the maximum probable losses. The amount insured as of December 31, 2025, is 1,307 million EUR (2024: 1,089 million EUR) under an international policy with the Group, with an underwriting company in Spain.

As indicated in Note 4.b of this Annual Report, the Company has recorded the estimated costs for the dismantling of its facilities, as well as the costs of refurbishment of the site where they are located, in accordance with technical studies carried out by independent experts, and based on the period the assets are expected to be in operation.

During the 2025 financial year, the Company reviewed the estimate of the obligations associated with dismantling its facilities and the rehabilitation of the land on which the Huelva plant is located, arising from the existing administrative concessions. In this regard, in November 2025 the Company received a new independent study updating the estimated cost of such obligations, incorporating more recent technical and economic information. In addition, the Company updated the main economic assumptions used in the calculation, including the discount rate and inflation forecasts, in accordance with Spanish accounting regulations.

As a result of this review, and in accordance with the provisions of the General Accounting Plan and the ICAC Resolution of March 1, 2013, the Company recognized an increase in the carrying amount of property, plant and equipment amounting to 1,786 thousand EUR, with a corresponding entry in the related provision for dismantling and rehabilitation.

The estimated useful life used for the purposes of calculating the dismantling provision has been maintained at 25 years, a criterion considered to be consistent with the technical useful life of the assets and with reasonable expectations regarding the continuity of the Company's operations, in accordance with the General Accounting Plan.

Discounting expenses associated with future decommissioning costs amounted to 1,690 thousand EUR in 2025 (2024: 1,575 thousand EUR) and are recorded under the heading "Financial expenses for updating provisions" in the accompanying profit and loss account.

The directors consider it probable that they will renew the above-mentioned concessions (Note 5) once they expire for the period during which the assets are expected to be used in operations (2050).

Operating leases

The future minimum payments under non-cancellable operating leases as of December 31 are as follows:

	Thousands of euros			
	2025		2024	
	Within one year	Between one and five years	Within one year	Between one and five years
Land	1,367	6,835	1,174	5,093
Headquarters Office in Madrid	893	1,787	777	2,332
Vehicles	268	304	270	409
	2,528	8,926	2,221	7,834

During 2023, the lease contract for the headquarters in Madrid was renewed until 2028.

NOTES TO THE FINANCIAL STATEMENTS

7. INVENTORIES

The breakdown of inventories as of December 31 was as follows:

	Thousands of euros	
	2025	2024
Raw materials and other consumables	860,646	724,999
Work in progress	313,456	285,971
Finished products	55,088	70,773
Greenhouse gas emission rights	18,160	308
Supplier advances	958	302
	<u>1,248,308</u>	<u>1,082,353</u>

Commitments for purchases of raw materials and other consumables

The Company has commitments for metals raw materials (copper concentrate) and other consumables, to ensure their supply. Periodic deliveries are adapted to particular production needs. These contracts are regularly established for several years and are periodically adapted according to the economic conditions and the Company's annual receptions calendar. The Company acquires copper concentrate from foreign suppliers including from companies belonging to the Group. During 2025, 23% of the Company's purchases were made from the Group (2024: 30%).

As of December 31, 2025, the Company had contracts for the purchase of concentrate at market prices for the next four years amounting to 2,981,000 dry metric tons (DMT), of which 2,010,000 DMT correspond to companies belonging to the Group (2024: 3,220,000 DMT, of which 1,910,000 DMT correspond to the Group).

Goods in transit

As of December 31, 2025, goods in transit (mainly shipments of copper concentrate) totaled 568,490 thousand EUR (2024: 543,935 thousand EUR) and are recognized under "Raw materials."

Insurance of inventories

Inventories in warehouses are jointly insured with PP&E assets at December 31, 2025 (Note 6). The directors consider that, based on the Group's philosophy, the coverage provided by the insurance policy contracted to cover risks relating to warehouse stock is sufficient.

Greenhouse gas emission rights

On July 13, 2021, notification was received of the Council of Ministers Agreement approving the free allocation of greenhouse gas emission rights to facilities subject to the emission rights for the period 2021-2025. The Company's final allocation totals 63,367 rights per year, which corresponds to 316,835 rights for the 2021-2025 period. On April 20, 2023, the Secretary of State for the Environment adjusted the free allocation of emission rights said before, setting an amount at 53,867 rights per year for the period 2023-2025.

On February 16, 2025, the Secretary of State for the Environment again adjusted the allocation of emission allowances for the 2024 and 2025 periods, setting it at an annual amount of 140,971 emission allowances, based on the assessment of the activity level report carried out by the Spanish Office for Climate Change. On December 18, 2025, a Resolution of the Secretary of State for the Environment was issued adjusting the allocation of emission allowances for the 2025 period, setting it at an annual amount of 224,844 emission allowances, based on the assessment of the activity level report carried out by the Spanish Office for Climate Change.

NOTES TO THE FINANCIAL STATEMENTS

Greenhouse gas emission rights

	Initial Balance	Increases	Adjustments	Consumption	Ending Balance
2024	19,500	53,867	512	(67,999)	5,880
2025	5,880	311,948	1,183	(60,099) (*)	258,912

(*) Estimated value

Emission rights are valued at market price according to the quotation of the right in the Spanish market provided by SENDECO (Electronic System for the Negotiation of Carbon Dioxide Emission Rights).

The balance as of December 31, 2025 corresponds to 258,912 rights valued at 18,160 thousand EUR (2024: 5,880 rights valued at 308 thousand EUR).

8. FINANCIAL ASSETS

The breakdown of financial assets as of December 31 is as follows:

	Thousands of euros	
	2025	2024
Non-current financial instruments:		
Other financial assets	344	220
	344	220
Current financial instruments:		
Derivatives	-	14,666
Trade and other receivables:		
Trade receivables	50,228	42,712
Trade receivables, Group companies and associates (PT Freeport Indonesia (PTFI))	-	98
Other receivables	2,318	2,217
Receivables from employees	1,143	60
	53,689	45,087
Total	54,033	59,973

The fair value of current financial assets, which is calculated based on a discounted cash flow analysis, does not significantly differ from their carrying amounts.

Valuation allowances

Trade receivables are presented net of reserves, which amounted to 1,932 thousand EUR, as of December 31, 2025 (2024: 25 thousand EUR). The movements in these valuation adjustments for the years 2025 and 2024 was as follows:

	Thousands of euros	
	2025	2024
January 1 Balance	25	30
Applications	-	(1)
Provision surplus	(73)	(4)
Exchange differences	(24)	-
December 31 Balance	1,932	25

NOTES TO THE FINANCIAL STATEMENTS

9. CASH AND CASH EQUIVALENTS

The breakdown of cash and cash equivalents as of December 31 was as follows:

	Thousands of euros	
	2025	2024
Bank accounts	36	775
	36	775

Bank account balances accrue to market interest rates and are freely available.

10. EQUITY - CAPITAL AND RESERVES

a) Share capital

As of December 31, 2025 and 2024, share capital includes 12,779 registered shares with a nominal value of 5 EUR, each of which are fully subscribed and paid in by the Parent.

The Company has complied with all the legal requirements making it a sole shareholder company. Note 18 includes expressed and individual references to contracts with Group companies, indicating their nature and terms. The Company has no contracts with its Sole Shareholder.

b) Legal reserve

According to the revised text of Spanish Corporation Law, companies must transfer 10% of profits for the year to a legal reserve until this reserve is equivalent to at least 20% of capital. The legal reserve can be used to increase capital by the amount exceeding 10% of the new capital after the increase.

Except for this purpose, until the legal reserve exceeds the limit of 20% of capital, it can only be used to compensate losses, if there are no other reserves available. Once the 20% capital limit has been reached, any excess is considered unrestricted reserves.

As at the end of both the 2025 and 2024 financial years, the provision has been fully recognized.

c) Capitalization reserve

In accordance with 25 of Law 27/2014 of November of the Corporation Tax, the amount accrued will be a maximum of 10% of the increase in equity and must be maintained for a period of 5 years, except in case of accounting losses. It will also remain non-distributable during the same period from the period the reduction corresponds to.

In both 2024 and 2023 there was not a need to increase the capitalization reserve because Equity did not increase.

d) Other reserves

Other reserves are available except for the capitalization reserve.

The movement in reserves during 2025 and 2024 was as follows:

	Thousands of euros			
	Legal Reserve	Capitalization reserve	Other reserves	Total
BALANCE AT DECEMBER 31, 2023	13	13,095	10,357	23,465
Additions	-	-	-	-
BALANCE AT DECEMBER 31, 2024	13	13,095	10,357	23,465
Additions	-	-	-	-
BALANCE AT DECEMBER 31, 2025	13	13,095	10,357	23,465

NOTES TO THE FINANCIAL STATEMENTS

On June 19, 2025, the Sole Shareholder approved the proposal for distribution of the negative result for 2024 (23,756 thousand EUR), to be applied to accumulated deficit.

On June 12, 2024, the Sole Shareholder approved the proposal for distribution of the result for 2023 (645 thousand EUR), to be applied to accumulated deficit.

e) Other equity holder contributions

There were no contributions to the equity of the Company during 2025 and 2024.

f) Translation differences

Translation differences reflect the effects arising from translating the Company's financial statements from its functional currency, the \$US, into the presentation currency, the EUR. The movement for the year is entirely attributable to applying the translation criteria set out in Note 4g based on the "closing exchange rate method". In accordance with that methodology, such variations are recognized in equity under "Translation differences".

11. EQUITY – GRANTS RECEIVED

The breakdown of grants received as of December 31 was as follows:

	Thousands of euros	
	2025	2024
Non-repayable capital grants (Note 11.1)	17,004	8,352
Interest-free long-term loans recognized as grants (Note 11.2)	191	214
Other grants (Note 11.3)	18,160	308
	35,355	8,874

The movements during 2025 and 2024 were as follows:

2025:

	Thousands of euros								
	Initial Balance	Increases	Tax effect of the increases	Allocated to the statements of operations	Tax effect	Decreases	Tax effect of decreases	Translation differences	Final balance
Exercised 2025									
Non-repayable capital grants	8,352	11,885	(2,971)	(375)	94	(17)	4	32	17,004
Interest-free long-term loans recognized as grants	214	51	(17)	(30)	8	-	-	(35)	191
Other grants	308	22,212	-	(5,119)	-	-	-	759	18,160
	8,874	34,148	(2,988)	(5,524)	102	(17)	4	756	35,355

NOTES TO THE FINANCIAL STATEMENTS

2024:

Thousands of euros										
	Initial Balance	Increases	Tax effect of the increases	Allocated to the statements of operations	Tax effect	Decreases	Tax effect of decreases	Other	Tax effect of other	Final balance
Exercised 2024										
Non-repayable capital grants	1,823	9,081	(2,270)	(374)	95	—	—	(3)	-	8,352
Interest-free long-term loans recognized as grants	275	47	(12)	(129)	33	-	-	-	-	214
Other grants	1,027	2,842	-	(3,561)	-	-	-	-	-	308
	3,125	11,970	(2,282)	(4,064)	128	—	—	(3)	-	8,874

11.1 Non-repayable capital grants

The breakdown of grants, donations, and legacies as of December 31 is as follows:

2025:

Thousands of euros							
	Year grant	Total amount granted	Allocated to the statements of operations			Balance before tax effect	Net balance after tax effect
Finance company			2025	Prior years	Translation differences		
Regional Government of Andalusia	2011	1,315	111	1,177	16	43	32
Regional Government of Andalusia	2014	156	12	100	3	47	35
Regional Government of Andalusia	2015	1,038	71	722	55	300	225
Regional Government of Andalusia	2016	932	60	582	(1)	289	217
Ministry of Industry (I.D.A.E)	2018	935	69	474	28	420	315
Centre for Develop. Industrial Technology (CDTI)	2018	18	-	-	-	18	14
CDTI	2019	60	3	-	-	57	43
I.D.A.E	2021	437	18	66	-	354	266
I.D.A.E	2021	110	8	26	-	76	57
Regional Government of Andalusia	2023	128	25	28	-	75	56
Regional Government of Andalusia	2024	20,993	-	-	-	20,993	15,744
Total		26,122	377	3,175	102	22,672	17,004

NOTES TO THE FINANCIAL STATEMENTS

2024:

Finance company	Year grant	Total amount granted	Thousands of euros		Balance before tax effect	Net balance after tax effect
			Allocated to the statements of operations			
			2024	Prior years		
Regional Government of Andalusia	2011	1,315	97	1,080	138	104
Regional Government of Andalusia	2014	156	11	89	56	42
Regional Government of Andalusia	2015	1,111	73	649	389	292
Regional Government of Andalusia	2016	932	61	521	350	263
I.D.A.E	2018	962	83	391	488	366
CDTI	2018	18	-	-	18	13
CDTI	2019	60	-	-	60	45
I.D.A.E	2021	437	17	49	371	278
I.D.A.E	2021	110	7	19	84	63
Regional Government of Andalusia	2023	128	26	2	100	75
Total		14,310	375	2,800	11,135	8,352

Management estimates that all the conditions required for the granting of these grants have been met or are able to be met.

The grants received in the past five years are as follows:

Grant				
(grant / project)	Year(s)	Programme/ Line	Technical purpose	Status/ Milestones (dates)
IDAE – Efficient technology burners (flash furnace)	2021	Energy efficiency	Replacement/ Installation of efficient burners in the flash furnace	Granted/ received
IDAE – Heat recovery (acid plant)	2021	Energy efficiency	Heat recovery in the acid plant to improve efficiency	Granted/ received
Directorate General for European Funds (Min. of Finance) -investment aid-	2022–2024	Aid subject to notification to the European Commission	Investment aid	Proposal 2022; EC notification Feb 2023; Grant award 22 Apr. 2024
Regional Government of Andalusia -ICT Infrastructure (virtualization of the process control network, Huelva)	2023	Basic Infrastructure incentives (Industry, Andalusia)	Virtualization hardware for the process control network	Granted; registry documentation required
Regional Government of Andalusia - Regional Incentives: Circular project	2024	Regional Incentives	New plant for processing non-ferrous fractions (WEEE)	Granted

NOTES TO THE FINANCIAL STATEMENTS

11.2 Interest-free long-term loans recognized as grants

The Company recognized in equity the difference between the nominal value and the amortized cost of long-term loans bearing a 0% interest rate linked to repayable grants, discounted at market interest rates according to their maturities (see Note 13.3).

The interest-free loans received in the past five years are as follows (Note 13.3):

Grant (grant / project)	Year(s)	Technical purpose
CTA – Electrólisis 4.0	2021	Remote control of cell voltage (wireless technology)
CTA – Ref e Cu	2021; 2022	Electrolytic refining of anodes with higher recycled-metal content
CDTI – Ref e Cu	2021; 2022 y 2023	Electrolytic refining (same line)
CDTI – ADSO2BER	2022	SO2 adsorbents for gases (metallurgical industry)
CTA – Electrólisis 4.0 II	2023; 2024 (cont.); 2025 (cont.)	Second phase; remote control of cell voltage (wireless)
CTA – MATSO	2023; 2024 (cont.); 2025 (cont.)	Sorption kinetics of SO ₂ in gas streams
CTA – BISBEE	2024; 2025	Valorization of Sb/Bi through extraction from eluate
CTA – SIEITI	2024; 2025	Information system on the internal condition of pipelines
MICIU – ZteelCop	2024	Hydrogen as a reducing agent in metallurgical processes (decarbonization)
CDTI – ESTANNIS	2025	Tin alloys obtained from copper smelter slags

11.3 Other grants

These grants correspond only to the value of the greenhouse gas emission rights pending to be consumed as of December 31, 2025, amounting to 18,160 thousand EUR (2024: 308 thousand EUR) (Note 7).

12. PROVISIONS AND CONTINGENCIES

Provisions for long-term employee benefits

The loyalty award provision of 1,308 thousand EUR (2024: 1,550 thousand EUR) relates to amounts accrued for the seniority bonus (Note 4.1).

Other provisions

The movements during 2025 and 2024 recorded under other provisions are as follows:

	Thousands of euros		
	Cost of dismantling installations	Other	Total
Balance as of December 31, 2023	19,108	205	19,313
Accretion	1,575	10	1,585
Applications	-	(3)	(3)
Provision surpluses	-	(80)	(80)
Balance as of December 31, 2024	20,683	132	20,815
Accretion	3,476	-	3,476
Applications	-	(119)	(119)
Provision surpluses	-	-	-
Balance as of December 31, 2025	24,116	17	24,133

NOTES TO THE FINANCIAL STATEMENTS

Provision for cost of dismantling installations

As indicated in Notes 4.b and 6, the Company recognized, at the date of transition to the new accounting standards on January 1, 2008, the provisions corresponding to the obligations assumed arising from the dismantling of its facilities and the rehabilitation of the sites on which they are located, calculated at their present value as at that date. Such present value was calculated on the basis of the estimated amount of the obligation determined by an independent third party, considering a cumulative annual price increase of 2.78% up to the estimated end of the operating life of the assets in 2050 and a discount rate of 8.65%.

As of December 31, 2025, following a new study conducted by an independent expert to update the estimated cost, which resulted in a slight increase in the amounts considered, the provision was increased by 1,716 thousand EUR.

The amount of the provision as of December 31, 2025, is 24,116 thousand EUR (2024: 20,683 thousand EUR).

Accretion for each year corresponds to the financial effect of using the amortized cost method.

Contingencies

As of December 31, 2025 and 2024, the Company had received guarantees pending cancellation from banking institutions as follows:

	Thousands of euros	
	2025	2024
Huelva Customs	50	50
Supply guarantees	21,523	19,055
Grants	7,240	7,240
Other	13,037	3,704
Total	41,850	30,049

The guarantees provided during the 2025 financial year were mainly issued in favor of the Port Authority of Huelva, in connection with construction and improvement works related to the Nickel production project; in favor of the Huelva City Council and the Ministry for the Ecological Transition for waste management guarantees; in favor of the Regional Department for Sustainability, the Environment and the Blue Economy for the transportation of materials; and in favor of the General Directorate for Energy Policy and Mines associated with access and connection to energy networks.

The Company's directors consider that any significant risks arising from guarantees pending cancellation are adequately provisioned as of December 31, 2025.

NOTES TO THE FINANCIAL STATEMENTS

13. FINANCIAL LIABILITIES

The breakdown of financial liabilities as of December 31 is as follows:

2025:

	Thousands of euros			
	Bank Borrowings (Note 13.1)	Payable to Group companies (Note 13.2)	Other payables and financial liabilities (Notes 13.3 and 13.4)	Total
Non-current financial liabilities:				
Trade and other payables	-	310,702	28,690	339,392
	-	310,702	28,690	339,392
Current financial liabilities:				
Trade and other payables	377,330	192,243	781,574	1,351,147
Derivatives	-	-	14,415	14,415
Other financial liabilities	-	-	3,597	3,597
	377,330	192,243	799,586	1,369,159
Total	377,330	502,945	828,276	1,708,551

2024:

	Thousands of euros			
	Bank Borrowings (Note 13.1)	Payable to Group companies (Note 13.2)	Other payables and financial liabilities (Notes 13.3 and 13.4)	Total
Non-current financial liabilities:				
Trade and other payables	-	620,741	42,734	663,475
	-	620,741	42,734	663,475
Current financial liabilities:				
Trade and other payables	30,680	180,234	592,226	803,140
Other financial liabilities	-	-	3,808	3,808
	30,680	180,234	596,034	806,948
Total	30,680	800,975	638,768	1,470,423

13.1 Bank borrowings

The breakdown of "Bank borrowings" as of December 31 is the following:

	2025			2024		
	Amount drawn down (Thousands of EUR)	Limit (Thousands of EUR)	Limit (Thousands of \$US)	Amount drawn down (Thousands of EUR)	Limit (Thousands of EUR)	Limit (Thousands of \$US)
Loan line BBVA	30,000	30,000	-	30,000	30,000	-
Revolving credit lines	175,265	15,000	330,000	-	15,000	230,000
Deferred Letters of Credit	171,197	200,000	160,000	-	200,000	110,000
Unpaid accrued interest	868	-	-	680	-	-
	377,330	245,000	490,000	30,680	245,000	340,000

NOTES TO THE FINANCIAL STATEMENTS

The breakdown of the annual maturities of the principal of the bank loans and borrowings as of December 31 is as follows:

	Thousands of euros	
	2025	2024
Year 2025	-	30,680
Year 2026	377,330	-
	377,330	30,680

The Company must ensure that no substantial changes in its business take place, or agreements to mergers, spin-offs, or organizational changes other than those agreed by the Group to which it belongs and with the agreement of the financing entities.

The applicable cost is the Secured Overnight Financing Rate (SOFR) plus a market spread for the U.S. dollar-denominated facilities, and the Euro Interbank Offered Rate (Euribor) plus a market spread for the euro-denominated facilities.

Total interest expense on these credit lines for the year 2025 was 17,855 thousand EUR (2024: 14,557 thousand EUR).

13.2 Borrowings from Group companies and associates

The detail of borrowings and payables, and related accrued interest with Group companies as of December 31 is as follows:

	Thousands of euros					
	2025			2024		
	Long term	Short term	Total	Long term	Short term	Total
FCX:						
Renewable credit line	310,191	51	310,242	620,343	114	620,457
Others	511	4,915	5,426	398	4,255	4,653
	310,702	4,966	315,668	620,741	4,369	625,110
PTFI	-	-	-	-	27,724	27,724
Freeport Minerals Corporation (FMC)	-	187,277	187,277	-	148,141	148,141
	-	187,277	187,277	-	175,865	175,865
Total	310,702	192,243	502,945	620,741	180,234	800,975

The movement in 2025 and 2024 of the renewable credit facilities was as follows:

	Thousands of \$US	Thousands of euros
	Renewable credit lines FCX	Renewable credit lines FCX
Balance as of December 31, 2023	611,788	553,655
Finance cost accrued during the year	27,080	25,015
Repayments	(1,507,176)	(1,389,897)
Borrowings	1,512,900	1,398,135
Effect of exchange rate variance	-	33,549
Balance as of December 31, 2024	644,592	620,457
Finance cost accrued during the year	24,463	21,662
Repayments	310,000	283,911
Borrowings	(614,523)	(575,712)
Effect of exchange rate variance	-	(40,076)
Balance as of December 31, 2025	364,532	310,242

NOTES TO THE FINANCIAL STATEMENTS

Renewable credit line FFC B.V./FCX

On March 30, 2004, the Group granted the Company two revolving credit facilities, one provided by FFC B.V. (which was cancelled on March 23, 2023) and another provided by FCX.

Both revolving credit facilities have no drawdown limit. These facilities have been renewed every five years since the initial maturity date of March 30, 2009, without any changes to the remaining terms and conditions. At present, only the revolving credit facility with FCX remains in force, having been renewed until March 30, 2029. In this latest renewal, the reference rate was modified, replacing LIBOR with SOFR, due to the former's discontinuation.

Amounts outstanding on this credit facility as of December 31, 2025, amounted to 364,474 thousand \$US or 310,191 thousand EUR (2024: 644,474 thousand \$US or 620,343 thousand EUR).

The remaining short-term balances primarily originate from concentrate purchases.

13.3 Other financial liabilities

The breakdown of other financial liabilities and trade and other payables as of December 31 is as follows:

	Thousands of euros			
	2025		2024	
	Long term	Short term	Long term	Short term
Other financial liabilities	28,690	3,597	42,734	3,808
Trade and other payables:				
Suppliers	-	755,046	-	578,022
Other payables	-	7,977	-	9,566
Employee benefits payable	-	3,449	-	3,198
Customer advances	-	15,102	-	1,440
	-	781,574	-	592,226
	28,690	785,171	42,734	596,034

The balance as of December 31, 2025 under "Other financial liabilities" corresponds mainly to the amount of repayable loans (Note 11.2):

	Year granted	Nominal	Thousands of euros			
			2025		2024	
			Long term	Short term	Long term	Short term
Repayable loan:						
Ministry of Industry, Commerce and Tourism	2021	22,200	18,970	3,171	21,371	-
Various	Various	2,859	1,946	426	1,944	3,808
Non-repayable grants:						
Ministry of Industry, Commerce and Tourism	2021		2,800	-	2,800	-
AAE	2021		499	-	499	-
Various	2023		142	-	390	-
Andalusian Government	2024		3,818	-	15,730	-
			28,690	3,597	42,734	3,808

During the financial year, the Company managed various public grants related to the CirCular Project, the Regional Incentives programs and the CDTI SERVET project. These grants include non-repayable subsidies and, in one case, an interest-free repayable loan, the repayment of which commenced in December 2025. A summary table is presented below,

NOTES TO THE FINANCIAL STATEMENTS

without duplication, setting out the economic characteristics, the nature of each grant and their accounting status as of December 31, 2025.

Programme / Grantor	Award date	Nature	Remark
Circular Project – Ministry of Industry	12/13/2021	Grant + interest free repayable loan	Loan amortized since December 2025 via fixed annual installments.
Regional Incentives – Andalusian Government	04/19/2024 and 09/26/2024	Non repayable grants	Recognition aligned with investment progress; conditions substantially met.
Missions Program – SERVET (CDTI)	12/29/2025	Non repayable grant	Collaborative TSL/TSH R&D project; pending recognition.

Once all the requirements of the program are met, the non-repayable subsidy will be classified, net of the tax effect, in the Balance Sheet as “Grants, donations and legacies” and the repayable loan will be classified, at its amortized cost, as “Other financial liabilities.” As of December 31, 2025, the fulfillment of these objectives does not depend only on the Company, so it has been registered under this heading.

13.4 Derivatives

As of December 31, 2025, “Derivatives” under current assets/liabilities include the fair value of hedges covering open positions, as described in Note 4.f.

The net effect of the metal hedging transactions for 2025 was a loss of 91,007 thousand EUR (2024: loss of 424 thousand EUR), which was recognized as an adjustment to the acquisition cost of raw materials, which is recorded to “Consumption of raw materials and other consumables” in the statements of operations.

As of December 31, 2025, the Company had 35,775 metric tons of copper contracted as net sales, at an average listed price of 11,820 \$US per metric ton. As of December 31, 2024, the Company had 38,450 metric tons of copper contracted as net purchases, at the average listed price of 8,953 \$US per metric ton. At December 31, 2025 and 2024, the maturity date of these contracts was within two months.

NOTES TO THE FINANCIAL STATEMENTS

14. TAXES

The breakdown of tax assets and liabilities as of December 31 is as follow:

	Thousands of euros	
	2025	2024
Receivable balance:		
Deferred tax assets	9,564	5,820
Current tax assets	12,323	3,366
	21,887	9,186
Other receivables from public administrations:		
Value added tax (VAT) receivable from the Treasury	10,354	15,940
Other receivables	25,552	39,667
	35,906	55,607
	57,793	64,793
Payable balance:		
Deferred tax liabilities	5,731	2,856
	5,731	2,856
Other payables to public administrations:		
Personal income tax withholdings (IRPF) payable to the Treasury	1,394	1,443
Social security	1,319	1,213
Other payables to public administrations	1,264	940
	3,977	3,596
	9,708	6,452

Other receivables primarily include 24,811 thousand EUR associated with a grant awarded by the Regional Government of Andalusia (Junta de Andalucía) under the Regional Incentive program (see Note 11.1).

The change in this caption compared to the prior fiscal year is mainly attributable to the collection of 14,658 thousand EUR related to the refund of undue payments of Corporate Income Tax corresponding to fiscal years 2016 through 2019, as further explained later in this same note.

NOTES TO THE FINANCIAL STATEMENTS

The changes during 2025 and 2024 in “Deferred tax assets” and “Deferred tax liabilities” are as follows:

2025:

	Thousands of euros			
	January 1	Change in		December 31 balance
		Statements of Operations	Equity	
Deferred tax assets:				
Temporary differences	1,218	255	-	1,473
Deductions	1,109	97	-	1,206
Carryforwards	637	551	-	1,188
Non-repayable grants	2,856	2,876	-	5,732
Translation differences	-	-	(35)	(35)
	<u>5,820</u>	<u>3,779</u>	<u>(35)</u>	<u>9,564</u>
Deferred tax liabilities:				
Non-repayable grants	(2,856)	-	(2,875)	(5,731)
	<u>(2,856)</u>	<u>-</u>	<u>(2,875)</u>	<u>(5,731)</u>

2024:

	Thousands of euros			
	January 1	Change in		December 31 balance
		Statements of Operations	Equity	
Deferred tax assets:				
Temporary differences	350	868	-	1,218
Deductions	508	601	-	1,109
Carryforwards	1,126	(489)	-	637
Non-repayable grants	700	2,156	-	2,856
	<u>2,684</u>	<u>3,136</u>	<u>-</u>	<u>5,820</u>
Deferred tax liabilities:				
Non-repayable grants	(700)	-	(2,156)	(2,856)
	<u>(700)</u>	<u>-</u>	<u>(2,156)</u>	<u>(2,856)</u>

NOTES TO THE FINANCIAL STATEMENTS

The reconciliation of pre-tax book results to taxable income is as follows:

2025:

	Thousands of euros		
	Increases	Decreases	Total
Result for the year (loss)			(32,361)
Income tax benefit			(3,528)
Result before tax			(35,889)
Permanent differences:			
Arising in the year	4,919	-	4,919
Temporary differences:			
Arising in prior years	-	(4,815)	(4,815)
Arising in the year	35,916	(9)	35,907
Tax result			122

2024:

	Thousands of euros		
	Increases	Decreases	Total
Result for the year (loss)			(23,756)
Income tax expense			(13,326)
Result before tax			(37,082)
Permanent differences:			
Arising in the year	5,245	-	5,245
Temporary differences:			
Arising in prior years	-	(5,552)	(5,552)
Arising in the year	55,752	-	55,752
Tax result			18,363

In 2025 and 2024, the increases in the permanent differences correspond mainly to both the amortization of goodwill and donations to non-profit entities.

Temporary differences in 2025 and 2024 arising from prior periods mainly relate to payments to the defined contribution pension plan and to equity-settled share-based payment arrangements. In 2024, they were mainly attributable to the partial reversal of the positive adjustment recognized in fiscal years 2013 and 2014 as a result of the limitation on the tax deductibility of depreciation in those years, as well as to payments to the defined contribution pension plan and equity-settled share-based payments to employees.

The temporary differences originating in the 2025 and 2024 fiscal years mainly correspond to non-deductible financial expenses in this fiscal year, the provision for equity-based compensation and the provision for dismantling.

NOTES TO THE FINANCIAL STATEMENTS

The reconciliation of the result for the years 2025 and 2024 and the related income tax (benefit) expense is as follows:

	Thousands of euros	
	2025	2024
Taxable base (Tax result)	122	18,363
Taxable base applied	(30)	(4,591)
Reduction for capitalization reserve	-	-
Adjusted taxable base	92	13,772
Tax charge	25%	25%
Quote	23	3,443
Deductions	(9)	(1,377)
Changes in deferred taxes	(3,769)	(3,136)
Regularization of 2018 income tax	227	(12,256)
Income tax (benefit) expense	(3,528)	(13,326)

During 2025, the Company has applied tax loss carryforwards of 30 thousand EUR, this amount corresponds to the maximum 25% legally allowed on the tax base.

During 2024, the Company applied tax loss carryforwards of 4,591 thousand EUR, this amount corresponds to the maximum 25% legally allowed on the tax base.

In the 2024 fiscal year, and as mentioned in the Subsequent Events Note of the 2023 Annual Accounts, the company recognized income of 12,116 thousand EUR as a refund of undue corporate income tax payments corresponding to the fiscal years 2016 to 2019. This was based on the Constitutional Court ruling published in the Official State Gazette (BOE) on February 20, 2024, declaring unconstitutional the modifications made to the corporate income tax introduced by Royal Decree-Law 3/2016 of December 2. The company had requested the rectification of the self-assessment and the refund of these undue payments from the State Tax Administration Agency on July 8, 2021.

The calculation of the “Debt with the Tax Administration” is as follows:

	Thousands of euros	
	2025	2024
Income tax	(13)	(2,066)
Advance payments of Corporate Income tax	12,336	5,432
Corporate Income Tax refundable	12,323	3,366

NOTES TO THE FINANCIAL STATEMENTS

After taking into consideration the above, loss carryforwards as of December 31 are:

Generation year	Thousands of euros	
	2025	2024
1999	-	11,125
2001	-	39,547
2004	43,647	89,126
2005	3,058	3,058
2007	31,848	31,848
2009	52,570	52,570
2010	47,416	47,416
2011	78,186	78,186
2013	44,155	44,155
2014	48,917	48,917
2022	20,826	33,396
	<u>370,623</u>	<u>479,344</u>

In accordance with Law 27/2014, loss carry forwards do not expire.

Other deductions for investments pending application as of December 31 are as follows:

2025			2024		
Year	Thousands of euros	Last year of application	Year	Thousands of euros	Last year of application
2007	811	2022/23			
2008	875	2023/24	2008	14	2023/24
2009	595	2024/25	2009	595	2024/25
2010	198	2025/26	2010	198	2025/26
2011	57	2026/27	2011	57	2026/27
2012	126	2027/28	2012	126	2027/28
2013	583	2031/32	2013	584	2031/32
2014	374	2032/33	2014	374	2032/33
2015	259	2033/34	2015	259	2033/34
2016	227	2034/35	2016	227	2034/35
2017	322	2035/36	2017	322	2035/36
2018	360	2036/37	2018	360	2036/37
2019	1,578	2037/38	2019	1,578	2037/38
2020	1,394	2038/39	2020	1,383	2038/39
2021	593	2039/40	2021	474	2039/40
2022	1,156	2040/41	2022	1,671	2040/41
2023	3,246	2041/42	2023	2,393	2041/42
2024	9,157	2042/43			
	<u>21,911</u>			<u>10,615</u>	

During the year, the Company applied various tax incentives related to environmental investments, R&D and IT projects, and training activities. The Company also maintains tax assets arising from tax loss carry-forwards, tax credits and temporary differences, whose utilization is considered reasonably assured. Several tax audits and limited reviews remain open, all of which have been appealed through the appropriate administrative or judicial channels. The table below summarizes the economic characteristics, amounts and status of each item as of December 31, 2025.

NOTES TO THE FINANCIAL STATEMENTS

Item / Tax	Nature	Amount in Th. of Euros/ Periods	Status at 31/12/2025	Remarks
Tax credits applied	Environmental investments	EUR 2,577 (2025) - EUR 968 (2024)	Applied	Credits linked to environmental compliance.
	R&D&I and IT	EUR 17,801 (2025)- EUR 9,000 (2024)	Applied	Technological and innovation investments.
	Training and donations	Resto	Applied	Minor incentives.
Tax assets	NOLs, credits, temporary differences	Not quantified	Recognised	Recoverability deemed reasonably assured (Note 4.h). Assessments signed in 2019 · Appeal before the National Court.
Capitalisation reserve (CIT)	Limited review (2016–2017)	-	Under appeal	Assessments dated 01 18 2022 · Appeal before the TEAC.
NRIT	Limited review (2015–2019)	-	Under appeal	Assessments in disagreement 03 21 2025 · Appeal before the TEAC.
CIT, VAT, PIT, NRIT	Audit (2016–2021 and Jun 2019 to Dec 2023)	-	Under appeal	Assessments 09 05 2024 · Contested before Administrative Court.
CITIO – Huelva City Council	Inspection (2019–2020)	-	Under appeal	No final assessment to date.
Business Tax (IAE)	Inspection (2022–2025)	-	Ongoing	No final assessment to date.
CITIO – Huelva City Council	Inspection (2021 and 2024)	-	Ongoing	No final assessment to date.
Taxes open to inspection	Customs duties, Import VAT, VAT, PIT, NRIT, CIT	2022–2025	Ongoing	Ordinary audit proceedings.
Pilar 2 – Law 7/2024	Top up Tax	-	No impact	Covered “safe harbour”

Management considers that no significant additional liabilities will arise from the ongoing procedures or from the periods still open to inspection.

15. INCOME AND EXPENSES

a) Distribution of sales

In 2025, sales amounted to 2,807 million EUR (2024: 2,790 million EUR) and are distributed as follows:

	2025	2024
Geographically:		
Spain	43%	46%
Other EU countries	28%	27%
Rest of the world	29%	27%
	100%	100%
By product:		
Copper	81%	81%
Electrolyte sludge	15%	16%
Acid and by products	4%	3%
	100%	100%
By type of control transfer:		
At a time:	100%	100%

The Company's main cathode customers are Cunext Copper Industries, S.L, Transamine, S.A., La Farga Your copper solutions, Glencore International AG and United Metals Company, some of whom have signed long-term contracts.

NOTES TO THE FINANCIAL STATEMENTS

b) Consumption of raw materials and other consumables

	Thousands of euros	
	2025	2024
Purchases of metals raw materials	2,765,259	2,726,832
Other consumables	28,941	30,592
Changes in inventories	(135,647)	(136,619)
Total	2,658,553	2,620,805

The breakdown of consumption of raw materials and other consumables is as follows:

	Thousands of euros	
	2025	2024
Consumption of domestic purchases	104,375	101,046
Consumption of international purchases	2,554,178	2,519,759
Total	2,658,553	2,620,805

c) Operating grants included in the profit and loss account in the year.

During the last two years, the Company has recognized operating grants mainly related to R&D&I projects coordinated by EIT-Raw Materials, as well as grants from the Ministry of Industry associated with the compensation of indirect CO₂ emission costs. The table below summarizes the economic characteristics, amounts and nature of each grant recognized in Statement of operations:

Year	Grantor	Nature	Projects/ Funded concepts	Remarks
2024	EIT-Raw Materials	Non-repayable grants	EMERALDinho. RECOPPs. MEITIM. RENEW.	R&D&I projects in education, waste valorization and recycling technologies.
	MINCOTUR	Operating grants	Indirect CO ₂ compensation - Electro intensive consumers	Total amount recognized included in P&L (not quantified in the source text).
2025	EIT-Raw Materials	Non-repayable grants	EMERALDinho. EMERALDinho 2. RECOPPs. MEITIM. RENEW. IMAGINE-IV-SUMA	Expansion of academic programs, waste valorization and sustainable materials development.
	MINTUR	Operating grants	Indirect CO ₂ emission cost compensation	Direct grant linked to indirect CO ₂ costs.

d) Employee benefits expenses

The detail of personnel costs was the following:

	Thousands of euros	
	2025	2024
Wages and salaries	49,799	46,481
Social security	12,857	12,379
Contributions to pension commitments	1,351	1,322
Other employee welfare expenses	1,333	1,274
Total	65,340	61,456

NOTES TO THE FINANCIAL STATEMENTS

e) External Services

	Thousands of euros	
	2025	2024
Research and development	401	584
Rent and fees	3,843	3,710
Repairs and maintenance	29,805	28,586
Independent professional services	6,744	6,514
Transport and freighting	24,764	25,756
Insurance premiums	547	740
Banking and similar services	404	172
Advertising and public relations	850	755
Utilities	43,005	38,756
Other services	35,887	34,175
Total	146,250	139,748

The Company had entered into a contract for the supply of oxygen, which included take-or-pay consumption commitments. This contract remained in force until August 15, 2025, when it expired. In the event of a potential breach (mainly due to insufficient consumption), the contract provided for a penalty, which the Company has assessed at USD 8,900 thousand.

As of December 31, 2025, this contract is no longer in force and, therefore, the Company has no firm minimum consumption commitments or related penalties as of that date. Nevertheless, the Company has a transitional oxygen supply agreement in place, which will remain effective until the new supply contract comes into force, which is expected to commence in April 2026.

16. FOREIGN CURRENCY

As indicated in Note 4.g), effective January 1, 2025, the Company's functional currency is the \$US, whereas the EUR had been considered the functional currency prior to that date.

As the international copper market trades in \$US, 94% of the Company's raw materials (copper concentrate) purchases are made in \$US (Note 15.b) and the remaining 6% in euros.

The Company carries out the following transactions in EUR:

	Thousands of euros
	2025
Purchases of goods	(172,356)
Sale of goods	1,337,628
Other operating income	9,213
Allocation of grants related to non-financial non-current assets and other grants	5,495
Finance credits costs	(3,592)
Financial income	779
Other operating expenses	(136,587)

NOTES TO THE FINANCIAL STATEMENTS

The most significant balances of assets and liabilities in foreign currency (EUR) as of December 31 are as follows:

	Thousands of euros
	2025
Financial assets:	
Trade receivables	18,767
Other receivables	2,254
Personnel	1,141
Current tax assets	12,323
Public entities, other	35,864
Financial liabilities:	
Suppliers (Note 13.2)	(80,949)
Suppliers, Group companies and associates (Note 13.2)	(58,398)
Other payables (Note 13.3)	(8,288)
Personnel (Note 13.3)	(3,449)
Public entities, others (Note 14)	(3,977)
Customer advances (Note 13.3)	(1,047)

Exchange rate differences during the years 2025 and 2024 are as follows:

	Thousands of euros	
	2025	2024
For transactions settled during the year	(7,066)	(2,742)
Transactions pending settlement as of December 31	(8,444)	(50,433)
	(15,510)	(53,175)

17. EQUITY-BASED TRANSACTIONS

As indicated in Note 4.n), FCX has stock-based compensation plans that provide awards to employees of the Group, including directors and executives of the Company (Note 18.2).

Compensation costs for equity-based payments to employees are measured at fair value and charged to expense over the requisite service period for awards that are expected to vest. The fair value for stock-settled restricted stock units (RSUs) is based on FCX's stock price on the date of grant. Shares of common stock are issued at the vesting date for stock-settled RSUs. The fair value for liability-classified awards (i.e., cash-settled RSUs) is remeasured each reporting period using FCX's stock price. FCX has elected to recognize compensation costs for RSUs using the graded-vesting method over the three-year vesting period. The award agreements for stock-settled and cash-settled RSUs provide for accelerated vesting upon certain qualifying terminations of employment within one year following a change of control.

NOTES TO THE FINANCIAL STATEMENTS

Below is a summary of the stock options granted by FCX to employees of the Company and outstanding as of December 31:

2025:

No activity in 2025.

2024:

	Number of options	Weighted-average option price (\$US)	Weighted-average contractual term remaining (years)	In the money (\$US Th.)
Balance, January 1	17,500	16.64		
Exercised	(17,500)	16.64		
Expired	-	-		
Balance, December 31	<u>-</u>	<u>-</u>		<u>-</u>
Vested and exercisable at December 31, 2024	<u>-</u>	<u>-</u>		<u>-</u>

During 2025 and 2024 the Company participated in FCX's equity-based compensation plans, which include stock-settled and cash-settled RSUs. No stock options were granted in either 2025 or 2024, and all previously outstanding awards were exercised or expired. There were no charges recorded to the Statement of operations in 2025, and immaterial charges in 2024.

Cash-settled RSUs are classified as liabilities, remeasured monthly at fair value and recognized over a three-year vesting

Below is a summary of the stock-settled RSUs granted by FCX to employees of the Company and outstanding as of December 31:

2025:

	Number of Stock- Settled RSUs	In the money (\$US Th.)
Balance, January 1	61,999	
Granted	30,000	
Vested	(32,000)	
Balance, December 31	<u>59,999</u>	<u>3,047</u>

2024:

	Number of Stock- Settled RSUs	In the money (\$US Th.)
Balance, January 1	65,999	
Granted	30,000	
Vested	(34,000)	
Balance, December 31	<u>61,999</u>	<u>2,361</u>

The total grant-date fair value of stock-settled RSUs was \$US 1,135 thousand during 2025 (2024: \$US 1,187 thousand).

Stock-settled RSU expenses related to year 2025 amounted to 1,014 thousand EUR (2024: 1,136 thousand EUR) and were included as part of "Wages and salaries" in the Statements of Operations.

NOTES TO THE FINANCIAL STATEMENTS

Below is a summary of the cash-settled RSUs granted by FCX to employees of the Company and outstanding at December 31:

2025:

	Number of Cash- Settled RSUs	In the money (\$US Th.)
Balance, January 1	114,919	
Granted	70,000	
Vested	(55,266)	
Forfeitures	(999)	
Balance, December 31	128,654	6,534

2024:

	Number of Cash- Settled RSUs	In the money (\$US Th.)
Balance, January 1	106,356	
Granted	60,000	
Vested	(51,437)	
Forfeitures	-	
Balance, December 31	114,919	4,376

The total grant-date fair value of cash-settled RSUs was \$US 2,650 thousand during 2025 (2024: \$US 2,375 thousand).

Cash-settled RSU expenses related to year 2025 amounted to 1,014 thousand EUR (2024: 1,830 thousand EUR) and were included as part of “Wages and salaries” in the Statements of Operations.

18. RELATED PARTY DISCLOSURES

18.1 Related entities

Balances with Group companies are detailed in Note 13.

Transactions with Group companies are as follows:

2025:

	Thousands of euros					
	Interest expenses (Note 13.2)	Purchases	Expenses for services rendered	Dividend Income	Revenue from the rendering of services	Sale of goods
Group companies:						
PTFI	-	5,864	-	-	-	-
FMC	-	584,856	-	-	-	13,044
FCX	21,662	-	12,687	-	2,068	-
Total	21,662	590,720	12,687	-	2,068	13,044
Associated companies:						
Fortia energia, S.L.	-	-	-	165	-	-
Total	-	-	-	165	-	-

NOTES TO THE FINANCIAL STATEMENTS

2024:

	Thousands of euros					
	Interest expenses (Note 13.2)	Purchases	Expenses for services rendered	Dividend Income	Revenue from the rendering of services	Sale of goods
Group companies:	-	-	-	-	-	-
PTFI	-	444,280	-	-	-	176
FMC	-	331,331	-	-	-	7,699
FFC B.V.	-	-	-	-	-	-
FCX	24,854	-	12,310	-	1,167	-
Total	24,854	775,611	12,310	-	1,167	7,875
Associated companies:						
Fortia energía, S.L.	-	-	-	216	-	-
Total	-	-	-	216	-	-

In accordance with current arrangements, below is the nature and conditions of the contracts between the Company and Group companies:

Company	Nature
FCX	Management services
FCX	Renewable credit line
PTFI	Copper concentrate purchases and the sale of molds for the Manyar smelting plant
FMC	Purchases of copper concentrate, copper cathodes, and sale of sulphuric acid

18.2 Directors and Senior Executives

By signing these annual accounts, the directors confirmed the positions and/or function performed in companies whose activity is identical, similar, or complementary to those of the Company. In compliance with article 229 of the Spanish Capital Companies Law, the directors have notified the Company that there are no situations representing a conflict. Below is a summary of remunerations:

	Thousands of euros	
	2025	2024
Board of Directors:		
Wages and salaries	-	-
Allowance	-	-
Senior Executives:		
Wages and stock-based compensation plans	3,996	3,906
Contributions to pension plan for life insurance	409	375
Total	4,405	4,311

During the financial years 2025 and 2024, the Company, as a legal entity, has not been a member of the administrative bodies of other companies, consequently, no natural person, representative of the Company, has received any remuneration for this concept as representative of the legal person in the administrative bodies of other companies.

As of December 31, 2025, and 2024, the company had no pension or life insurance obligations towards former or current members of the Board of Directors.

No advances or loans were granted to the members of the Company's Board of Directors in 2025 and 2024.

NOTES TO THE FINANCIAL STATEMENTS

During 2025 civil liability insurance premiums were paid on behalf of the Board of Directors and totaled 16 thousand EUR (2024: 16 thousand EUR).

19. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Company's risk management policies are established by the Risk Committee, having been approved by the Board of Directors. Based on these policies, the Company's finance department has established a series of procedures and controls which make it possible to identify, measure, and manage the risks arising from financial instrument activity. These policies establish that no trading in derivatives for speculative purposes will be undertaken by the Company.

Financial instrument activity exposes the Group to market, credit and liquidity risk as discussed below.

Market risk

Market risk exists when a potential loss may arise from fluctuations in the fair value or future cash flows of a financial instrument due to changes in market prices. To mitigate the risk of fluctuations in the price of metals, the Company carries out metal hedging transactions.

Credit risk

Credit risk arises from the potential loss caused by failure to comply with contractual obligations by the Company's counterparties, that is, through the possibility of not recovering financial assets for the amount recognized and within the established time frame.

As of December 31, 2025, the main credit risks arise from "Trade and other receivables".

The Company has a commercial credit policy covering receivables from its acid clients, except for sales to the Group or advance payments.

Cathode sales, final product of the Company, are very stable. The variation in tonnage sold from one year to another corresponds mainly to the lower production of the years in which there is a scheduled maintenance. Additionally, the cathode, being the copper product that offers the most liquidity, can be immediately sold to traders or even in the official warehouses of the LME. It becomes cash in less than a week (it is a pure commodity).

Additionally, the contractual characteristics of the market in which the Company carries out its transactions dictate that the average collection period is below 10 days.

Liquidity risk

The Company's objective is to maintain sufficient available funds for continuous operations. The Company's main liquidity risk is concentrated in the need to finance inventory stocks during the production process. As of December 31, 2025, the Company shows a negative operating working capital balance of 22 million EUR (Note 2.c) (2024: positive of 391 million EUR). To fund operating working capital, the Company has the following financing arrangements:

- Renewable borrowings facilities granted by third parties (Note 13.1).
- Renewable borrowing facilities granted by Group companies (Note 13.2).

20. OTHER DISCLOSURES

NOTES TO THE FINANCIAL STATEMENTS

20.1 Employees

The average number of employees as of December 31 by professional category and gender is as follows:

	2025				
	Female	Male	Total	Average number of employees during the year	Average number of employees with disability of 33% or more during the year
Qualified technicians	103	209	312	296	5
Unqualified technicians	15	75	90	85	2
Administrative personnel	23	14	37	35	1
Messengers, etc.	4	23	27	26	-
Skilled workers	34	383	417	395	6
Total	179	704	883	837	14

	2024				
	Female	Male	Total	Average number of employees during the year	Average number of employees with disability of 33% or more during the year
Qualified technicians	95	190	285	274	5
Unqualified technicians	18	83	101	97	1
Administrative personnel	21	16	37	36	1
Messengers, etc.	2	26	28	27	-
Skilled workers	19	339	358	345	4
Total	155	654	809	779	11

During 2025 and 2024, the Company's Board of Directors consisted of two men and one woman.

20.2 Audit fees

Audit fees relating to the annual accounts for the year ended December 31, 2025, amounted to 308 thousand EUR (2024: 375 thousand EUR), and for other services provided 93 thousand EUR (2024: 87 thousand EUR).

20.3 Environmental issues

The Company has an Integrated Environmental Management System (SIGMA) which ensures that its environmental policies as well as legal requirements are complied with. SIGMA undergoes environmental management audits in keeping with UNE-EN ISO 14001:2015 and Regulation 1221/2009 of the European Union (EMAS: Eco-Management and Audit Scheme). The follow-up audit for both certifications conducted by AENOR (Spanish Association for Standardization and Certification) in May 2025 received a compliant evaluation, with an expiration date of July 2028.

Additionally, FCX, together with the Sinergy companies, carried out an internal audit in September 2025 to assess both the level of implementation and effectiveness of the SIGMA system, as well as legal compliance, in accordance with applicable legislation and regulations. On an annual basis, the Company prepares and makes public an Environmental Statement, in compliance with the requirements of Regulation (EC) No. 1221/2009 of the European Union. The Environmental Statement corresponding to fiscal year 2024 was audited by AENOR in May 2025.

The Company received the Integrated Environmental Authorization from the Andalusian Regional Government's Environment Council in November 2007, and it was renewed in 2022, to incorporate the CirCular project for the transformation of the metal fraction from the recycling of WEEE. The new authorization integrates different environmental permits and authorizations than were previously in effect. The Company has made environmental capital investments in 2025 amounting to 160,516 thousand EUR (2024: 135,818 thousand EUR), and incurred environment-related operating costs of 35,521 thousand EUR (2024: 31,184 thousand EUR), expenses for fiscal year 2024 included 3,190 thousand EUR related to the shutdown carried out during that year (there were no such charges in fiscal year 2025). The estimated

NOTES TO THE FINANCIAL STATEMENTS

environmental investments for 2026 are approximately 238,452 thousand EUR, while environmental expenses are estimated at approximately 54,070 thousand EUR.

The following significant installations have been implemented by the Company, for the purpose of minimizing the environmental impact of operations and/or protecting or improving the environment:

	Thousands of euros			
	2025		2024	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Sulphuric acid plant	165,434	(127,805)	160,570	(118,791)
Artificial gypsum plant	12,863	(8,085)	14,261	(9,022)
Electrolyte purification plant	16,610	(9,845)	17,037	(9,704)
Water treatment plant	6,638	(2,905)	6,707	(2,503)
E-material treatment plant	310,716	(406)	170,903	(112)
New zero liquid discharge plant	14,171	-	13,853	-

The Company has achieved its environmental goals with these plants, while producing and selling sulphuric acid and by-product artificial gypsum. Additionally, the Energy Management System certificate according to UNE-EN ISO50001 was renewed by AENOR in 2023, valid until 2026. In 2025, a follow-up audit of this certification took place with a satisfactory result.

According to Environmental Responsibility Law 26/2007, the Company arranged a financial guarantee (insurance) that covers the environmental responsibility inherent to its activities. This policy is renewed annually.

20.4 Information on late payments to suppliers in commercial transactions

The information related to the average payment to suppliers is the following:

	Days	
	2025	2024
Average payment to suppliers	34	29
Ratio of paid operations	32	29
Ratio of outstanding payment operations	45	30

NOTES TO THE FINANCIAL STATEMENTS

To comply with the content of Law 3/2004, of December 29, 2004, which establishes measures to combat late payment in commercial transactions (hereinafter, the Law on Late Payments), the Company includes a summary of the list of outstanding invoices as of December 31, 2025 and December 31, 2024:

	<u>As of December 31, 2025</u>	
	<u>Thousands of euros</u>	<u>Number of invoices</u>
Volume, monetary and unitary, of invoices pending payment to suppliers as of December 31, 2025, with an age at the reference date equal to or less than the maximum established in the Law on Late Payments (60 days)	100,679	1,108
Volume, monetary and unitary, of invoices outstanding to suppliers as of December 31, 2025, with an age at the reference date greater than the maximum established in the Law on Late Payments (60 days)	91	30
Monetary volume of unpaid invoices to suppliers as of December 31, 2025, subject to the Late Payment Law.	100,770	1,138
Percentage representing the Monetary and Unit Volume of unpaid invoices to suppliers as of December 31, 2025 with an age to date 2025 with an age to the reference date equal to or less than the maximum established in the late payment regulations (60 days) on the total Volume, monetary and unit, of outstanding invoices over the total Volume, monetary and unitary, of outstanding invoices to suppliers as of December 31, 2025 subject to the Law on Late Payments	99,9 %	97,4 %

	<u>As of December 31, 2024</u>	
	<u>Thousands of euros</u>	<u>Number of invoices</u>
Volume, monetary and unitary, of invoices pending payment to suppliers as of December 31, 2024, with an age at the reference date equal to or less than the maximum established in the Law on Late Payments (60 days)	68,481	2,183
Volume, monetary and unitary, of invoices outstanding to suppliers as of December 31, 2024, with an age at the reference date greater than the maximum established in the Law on Late Payments (60 days)	11	13
Monetary volume of unpaid invoices to suppliers as of December 31, 2024, subject to the Late Payment Law.	68,492	2,196
Percentage representing the Monetary and Unit Volume of unpaid invoices to suppliers as of December 31, 2024 with an age to date 2024 with an age to the reference date equal to or less than the maximum established in the late payment regulations (60 days) on the total Volume, monetary and unit, of outstanding invoices over the total Volume, monetary and unitary, of outstanding invoices to suppliers as of December 31, 2024 subject to the Law on Late Payments	100.0 %	99,4 %

In particular, and due to the relevance of the issue, it should be noted that the following have been excluded:

- Invoices derived from contracts subject to foreign legislation.
- Invoices from suppliers and creditors who have been notified of a court attachment.
- Invoices that have credit memos that mean that there is no debt position against the creditor.

21. SUBSEQUENT EVENTS

Subsequent to the financial year-end and up to the date of preparation of these Annual Financial Statements, there has been an intensification of geopolitical tensions and of the conflict in the Middle East region.

The Company does not maintain any significant direct exposure in that region. Nevertheless, Management is closely monitoring the evolution of the situation and has taken these developments into consideration in its review of the key accounting estimates and judgments applied in the preparation of these Annual Financial Statements, including certain assumptions, hypotheses and/or asset valuation and recoverability analyses.

In this regard, as of the date of preparation of these Annual Financial Statements, and given the dynamic nature of the situation, it is not possible to reliably determine any potential financial impact, should any arise, resulting from these events.

NOTES TO THE FINANCIAL STATEMENTS

Accordingly, these events have not led to any adjustments to the accompanying Annual Financial Statements, in accordance with the applicable Financial Reporting Framework of the Company.

Other than the foregoing, which has not had any effect on these financial statements, no other significant subsequent events worthy of mention have occurred.

22. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These financial statements are presented based on accounting principles and criteria generally accepted in Spain and were originally prepared in Spanish. This Management Report represents the English translated version. Certain accounting practices applied by the Company that conform with generally accepted accounting principles and criteria in Spain may not conform with generally accepted accounting principles in other countries.

**Management Report
December 31, 2025**

MANAGEMENT REPORT 2025

1. BUSINESS PERFORMANCE

Operations and market environment

In 2025, Atlantic Copper (hereinafter “Atlantic Copper” or the “Company”) delivered solid performance in a demanding market environment, characterized by reduced treatment and refining charges (TC/RC) and foreign exchange volatility. Management's focus throughout the year has been on strengthening operational resilience, supported by asset optimization, cost competitiveness and the disciplined execution of the 2024–2026 strategy.

Efficiency and competitiveness (net cathode cost)

The Company achieved a Cathode Cost after credits of 9.0 US\$/lb, an all-time low. This metric includes CO₂-related incentives; excluding such incentives, the net cost would have been 10.4 US\$/lb, still reflecting a highly competitive level. The primary driver was the elevated level of by-product credits, notably sulphuric acid, gold and silver, among others, all of which reached record levels.

Safety

The Total Recordable Incident Rate (TRIR) was 1.35. The Company maintains the strategic priority of achieving “zero accidents” and continues to roll out a dedicated safety program, with the active involvement of both the organization and contractor companies.

Production and asset availability

In 2025, our metallurgical complex processed 947 kdm of concentrate, producing 250 kt of cathodes and 910 kt of sulphuric acid. Smelter availability was impacted following the short shutdown in 2024. To reinforce asset reliability and recover optimal availability levels, two workstreams have been advanced: (i) optimization of operating procedures to reduce downtime; and (ii) planning of a medium shutdown in second-quarter 2027, within the plant maintenance cycle (Long-Short-Medium-Short).

2024–2026 strategy and transformational projects (CirCular)

The 2024–2026 strategy includes a portfolio of projects aimed at strengthening competitiveness, sustainability and diversification. The CirCular Project is particularly noteworthy, with a capacity of 60,000 tonnes per year, incorporating an additional furnace and associated equipment to recover copper, gold, silver, palladium, tin, nickel and platinum from e-materials (e-scrap), leveraging synergies with existing smelting and refining facilities. As of year-end 2025, installation progress was approximately 90%, with commissioning expected in the second half of 2026 and start-up planned for the final months of 2026.

In this regard, CirCular has been recognized as a strategic project under the European Critical Raw Materials Act (CRMA, 2024) and by the European Commission; start-up is described as progressive, with ramp-up of commissioning activities expected during the second half of 2026.

Energy and decarbonization

Energy management continues to be a key lever for competitiveness and volatility mitigation. In 2025, two new renewable Power Purchase Agreements (PPAs) will enter in force in 2026, and a new photovoltaic agreement was executed with commencement in 2027. As a result, the Company's electricity mix is expected to comprise approximately 82% low-carbon electricity (versus 62% currently). In addition, High-Efficiency Cogeneration achieved primary energy savings in excess of 75%.

Photovoltaic self-consumption

Additionally, Atlantic Copper and Alter Enersun announced a long-term PPA for a 30 MWp (25 MW nominal) photovoltaic plant under a self-consumption scheme, with estimated output of 53 GWh/year and expected start-up in 2026.

Environment

Environmental investments and actions have been designed to maintain performance below statutory limits. In 2025, progress was made on the zero liquid discharges project through reverse osmosis (€13 million), on projects to reduce SO₂ emissions (abatement in casting/tap systems and improvements to primary converter hoods), and a project was approved to reduce the environmental impact of port operations, with a 2027 target horizon.

MANAGEMENT REPORT 2025

People, organization and digitalization

For the fifth consecutive year, the Company was certified as a Top Employer. The deployment of organizational and talent initiatives continues, including the AGILE project within operations. Digitalization remains a cross-functional enabler to improve efficiency and decision-making: in the area of data management, initiatives have been pursued to progress towards a “single source of truth”, field data capture with real-time availability, and the convergence of IoT data with operational technology (OT) data, alongside further reinforcement of cybersecurity platforms and services.

2. FINANCIAL RESULTS

EBITDA for the 2025 financial year amounted to approximately €38 million, primarily impacted by: (i) the temporary mark-to-market valuation effect of the copper hedging position, with an expected reversal in the first quarter of 2026; (ii) foreign exchange effects arising from USD depreciation; and (iii) lower production levels. These impacts were partially offset by higher sulphuric acid credits, higher cathode premium, higher precious metals credits, and results from hedging activities.

Capital expenditures in the year 2025 totaled €178 million (including €136 million related to the CirCular project), of which €161 million corresponded to environmental investments. In addition, since 2003 the Company has invested €568 million to comply with the IPPC Directive, and approximately 18% of operating costs in Huelva are allocated to environmental matters.

3. RESEARCH AND DEVELOPMENT ACTIVITIES

Research and development expenses recognized in 2025 amounted to €1,260 thousand.

4. RISKS AND UNCERTAINTIES

The Company’s outlook and principal risks are described in Notes 2 and 19 to the financial statements. Derivative instrument transactions are detailed in Note 13.4.

5. AVERAGE PAYMENT PERIOD TO SUPPLIERS

The average payment period to suppliers in 2025 was 34 days (see Note 20.4).

6. TREASURY SHARES

The Company did not hold, nor did it carry out transactions in, treasury shares during the 2025 financial year.

7. EVENTS AFTER THE REPORTING PERIOD


No significant subsequent events have been identified that would require disclosure in this report, other than those mentioned in the relevant note to the Company’s 2025 annual financial statements.

8. NON-FINANCIAL INFORMATION STATEMENT (NFIS)

In accordance with Article 262.5 of the Spanish Companies Act (TRLSC), the Company has prepared the 2025 Non-Financial Information Statement as a separate document, which forms part of the management report.

ATLANTIC COPPER, S.L.U.
Financial Statements and Management Report
for the year ended December 31, 2025

The members of the Board of Directors have drawn up the attached financial statements and management report for the year-ended December 31, 2025 in their meeting celebrated on March 26, 2026.



JAVIER TARGHETTA ROZA

DILIGENCE extended, for the purposes of article 253 consolidates text of the Spanish Corporate Law, to record that the Financial Statements and Management Report of Atlantic Copper, S.L.U. have been signed in the last pages by the Chairman and the directors of the Company. Likewise, the Secretary non-Board member noted that the signatures of the Board of Directors, Ms. Kathleen Lynne Quirk, Ms. Macarena Gutiérrez Martínez and Mr. Javier Targhetta Roza has been obtained on-line during the formulation of the Annual Accounts and the Management Report carried out by the Board of Directors at its written session and without session celebrated on March 26, 2026.

Madrid, March 26, 2026.

THE SECRETARY NON-BOARD DIRECTOR



NATALIA PÉREZ HORMAECHE

ATLANTIC COPPER, S.L.U.
Financial Statements and Management Report
for the year ended December 31, 2025

The members of the Board of Directors have drawn up the attached financial statements and management report for the year-ended December 31, 2025 in their meeting celebrated on March 26, 2026.



KATHLEEN LYNNE QUIRK

DILIGENCE extended, for the purposes of article 253 consolidates text of the Spanish Corporate Law, to record that the Financial Statements and Management Report of Atlantic Copper, S.L.U. have been signed in the last pages by the Chairman and the directors of the Company. Likewise, the Secretary non-Board member noted that the signatures of the Board of Directors, Ms. Kathleen Lynne Quirk, Ms. Macarena Gutiérrez Martínez and Mr. Javier Targhetta Roza has been obtained on-line during the formulation of the Annual Accounts and the Management Report carried out by the Board of Directors at its written session and without session celebrated on March 26, 2026.

Madrid, March 26, 2026.

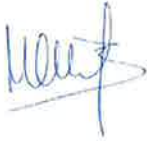
THE SECRETARY NON-BOARD DIRECTOR



NATALIA PÉREZ HORMAECHE

ATLANTIC COPPER, S.L.U.
Financial Statements and Management Report
for the year ended December 31, 2025

The members of the Board of Directors have drawn up the attached financial statements and management report for the year-ended December 31, 2025 in their meeting celebrated on March 26, 2026.



MACARENA GUTIERREZ
MARTÍNEZ

DILIGENCE extended, for the purposes of article 253 consolidates text of the Spanish Corporate Law, to record that the Financial Statements and Management Report of Atlantic Copper, S.L.U. have been signed in the last pages by the Chairman and the directors of the Company. Likewise, the Secretary non-Board member noted that the signatures of the Board of Directors, Ms. Kathleen Lynne Quirk, Ms. Macarena Gutiérrez Martínez and Mr. Javier Targhetta Roza has been obtained on-line during the formulation of the Annual Accounts and the Management Report carried out by the Board of Directors at its written session and without session celebrated on March 26, 2026.

Madrid, March 26, 2026

THE SECRETARY NON-BOARD DIRECTOR



NATALIA PÉREZ HORMAECHE