



European copper producer with operations in Spain

19 March 2026

Atalaya Mining Copper, S.A.
("Atalaya" or the "Company")

2025 Annual Results

Strong financial results and robust balance sheet to support growth pipeline

Atalaya Mining (LSE: ATYM) is pleased to announce its audited consolidated financial results for the year ended 31 December 2025 ("FY2025" or the "Period").

Highlights

- Copper production of 11.6 kt in Q4 2025 and 51.1 kt in FY2025, which achieved the higher end of the FY2025 guidance range
- Cash Costs of US\$2.62/lb in Q4 2025 and US\$2.40/lb in FY2025, with reductions due to higher production, higher silver credits and lower offsite costs
- AISC of US\$3.07/lb in Q4 2025 and US\$2.90/lb in FY2025
- EBITDA of €41.4 million in Q4 2025 and €179.8 million in FY2025, resulting in strong free cash flow generation of €107.4 million in FY2025
- Final dividend of €0.065/sh proposed, for a full year total of €0.109/sh
- Robust net cash position to support the development of Atalaya's copper growth projects in Spain

Q4 and FY2025 Financial Results Summary

Period ended 31 December	Unit	Q4 2025	Q4 2024	FY2025	FY2024
Revenues from operations	€k	121,412	77,852	482,915	326,797
Operating costs	€k	(79,965)	(65,172)	(303,159)	(260,441)
EBITDA	€k	41,447	12,680	179,756	66,356
Profit for the period ⁽¹⁾	€k	14,451	14,922	85,363	32,560
Basic earnings per share ⁽¹⁾	€ cents/share	10.3	8.7	60.8	22.6
Dividend declared per share ⁽²⁾	€/share	n/a	n/a	0.109	0.0637
Cash flows from operating activities	€k	72,477	11,101	192,483	53,403
Cash flows used in investing activities	€k	(25,305)	(16,578)	(85,070)	(66,073)
Cash flows from financing activities	€k	11,418	(19,168)	13,444	(57,261)
Net cash position ⁽³⁾	€k	121,960	35,091	121,960	35,091
Working capital surplus	€k	93,822	44,728	93,822	44,728
Average realised copper price (excluding QPs)	US\$/lb	5.10	4.10	4.49	4.19
Copper concentrate produced	tonnes	66,402	69,550	298,108	252,165
Copper production	tonnes	11,550	12,078	51,139	46,227
Cash Costs	US\$/lb payable	2.62	2.79	2.40	2.92
All-In Sustaining Costs ("AISC")	US\$/lb payable	3.07	3.28	2.90	3.26

(1) Includes impact of Q4 2025 impairment related to the E-LIX project of €24.1 million.

(2) Consists of 2025 Interim Dividend (paid 10 October 2025) and proposed 2025 Final Dividend, which is subject to approval by shareholders at the Company's 2026 Annual General Meeting.

(3) Includes restricted cash and bank borrowings at 31 December 2025 and 31 December 2024.

Alberto Lavandeira, CEO, commented:

“2025 was a year of strong operational and financial delivery for Atalaya. We achieved copper production at the upper end of our guidance range, generated robust free cash flow and further strengthened our balance sheet. The Board has again proposed a final dividend. These results reflect disciplined cost control, improved operating performance at Riotinto and continued focus on efficiency across the business.

We continued to invest in the long-term development of our assets, with sustained investment at Riotinto, further progress at Masa Valverde and Proyecto Touro, and encouraging exploration results, reinforcing the growth potential and optionality across our asset portfolio. At the same time, we maintained our commitment to sustainability, including targeted actions to address safety performance and a focus on continuous improvement in relation to energy and water efficiency.

The equity fundraise completed in January 2026 has further strengthened Atalaya’s financial position and provides significant flexibility to advance our copper growth projects in Spain. Looking ahead, while the start of 2026 has been affected by challenging weather conditions at Riotinto, we remain confident in our production guidance for the year and in the medium-term growth potential of our portfolio. With a strong balance sheet, high-quality assets and favourable long-term copper fundamentals, Atalaya is well positioned to deliver on our 2026 goals.”

Results Presentations

Analyst and Investor Presentation

Alberto Lavandeira (CEO) and César Sánchez (CFO) will host a webcast for analysts and investors today at 9:00 GMT.

To access the SparkLive webcast, please visit:

[Atalaya Mining 2025 Annual Results | SparkLive | LSEG](#)

Investor Meet Company Presentation

In addition, the Company will provide a live presentation via the Investor Meet Company platform today at 11:00 GMT.

To access the Investor Meet Company presentation, please visit:

<https://www.investormeetcompany.com/atalaya-mining-copper-sa/register-investor>

Management will also answer questions that have been submitted via the Investor Meet Company dashboard.

Note to Readers

The financial information for the years ended 31 December 2025 and 2024 contained in this document does not constitute statutory accounts. The financial information for the years ended 31 December 2025 and 2024 has been extracted from the consolidated financial statements of Atalaya Mining Copper, S.A. for the year ended 31 December 2025 which have been approved by the directors on 18 March 2026. The auditor's report on those financial statements was unqualified.

FY2025 Select Sustainability Highlights

	Unit	FY2025	FY2024
Work-related injuries (Riotinto employees & contractors)	<i>LTIFR</i>	4.80	3.33
Operational water used	<i>m³/t processed</i>	2.00	1.95
Electricity intensity	<i>kWh/t processed</i>	22.60	22.66
Investment in local communities	<i>€m</i>	0.8	1.0
Procurement from Spanish suppliers	<i>%</i>	89	93

Atalaya is committed to maintaining high standards of sustainability across its various operating activities and focuses on making continuous improvements. While no life-threatening incidents occurred in FY2025, management implemented several targeted safety improvement initiatives in response to the increase in LTIFR.

For further information, please refer to Atalaya's 2025 Sustainability Report, which will be published in due course.

Q4 and FY2025 Operating Results Summary

	Unit	Q4 2025	Q4 2024	FY2025	FY2024
Ore mined	tonnes	3,870,606	3,507,203	14,820,168	15,176,009
Waste mined ⁽¹⁾	tonnes	9,237,191	10,200,079	43,000,248	32,824,156
Ore processed	tonnes	4,140,621	3,757,040	16,630,699	15,913,064
Copper grade	%	0.33	0.41	0.39	0.35
Copper concentrate grade	%	17.39	17.37	17.15	18.33
Copper recovery	%	83.87	78.15	78.84	83.06
Copper concentrate produced	tonnes	66,402	69,550	298,108	252,165
Copper production	tonnes	11,550	12,078	51,139	46,227
Payable copper production	tonnes	10,886	11,382	48,158	43,706
Cash Costs	\$/lb payable	2.62	2.79	2.40	2.92
All-in Sustaining Costs	\$/lb payable	3.07	3.28	2.90	3.26

(1) Represents the Cerro Colorado pit only.

Mining

Ore mined was 3.9 million tonnes in Q4 2025 (Q4 2024: 3.5 million tonnes) and 14.8 million tonnes in FY2025 (FY2024: 15.2 million tonnes).

Waste mined was 9.2 million tonnes in Q4 2025 (Q4 2024: 10.2 million tonnes) and 43.0 million tonnes in FY2025 (FY2024: 32.8 million tonnes). In addition, waste stripping activities continued at the San Dionisio area.

Processing

The plant processed ore of 4.1 million tonnes in Q4 2025 (Q4 2024: 3.8 million tonnes) and 16.6 million tonnes in FY2025 (FY2024: 15.9 million tonnes), which represents a new annual throughput record.

Copper grade was 0.33% in Q4 2025 (Q4 2024: 0.41%) and 0.39% in FY2025 (FY2024: 0.35%).

Copper recovery was 83.87% in Q4 2025 (Q4 2024: 78.15%) and 78.84% in FY2025 (FY2024: 83.06%).

Production

Copper production was 11,550 tonnes in Q4 2025 (Q4 2024: 12,078 tonnes) and 51,139 tonnes in FY2025 (FY2024: 46,227 tonnes), which achieved the higher end of the Company's FY2025 guidance range of 49,000 to 52,000 tonnes. In addition, silver contained in copper concentrate was 1.2 million ounces in FY2025 (FY2024: 1.1 million ounces).

On-site copper concentrate inventories were 4,050 tonnes at 31 December 2025 (30 September 2025: 8,092 tonnes).

Copper contained in concentrates sold was 11,823 tonnes in Q4 2025 (Q4 2024: 10,271 tonnes) and 53,487 tonnes in FY2025 (FY2024: 43,609 tonnes). Copper sales exceeded production during FY2025 due to the drawdown of on-site concentrate inventories.

Cash Costs and AISC Breakdown

<i>US\$/lb Cu payable</i>	Q4 2025	Q4 2024	FY2025	FY2024
Mining	1.31	1.05	1.01	1.07
Processing	0.90	0.88	0.85	0.90
Other site operating costs	0.80	0.66	0.67	0.64
Total site operating costs	3.01	2.58	2.53	2.61
By-product credits	(0.49)	(0.34)	(0.38)	(0.27)
Freight, treatment charges and other offsite costs	0.10	0.55	0.25	0.58
Net offsite costs	(0.39)	0.21	(0.14)	0.30
Cash Costs	2.62	2.79	2.40	2.92
Cash Costs	2.62	2.79	2.40	2.92
Corporate costs	0.20	0.11	0.12	0.10
Sustaining capital (excluding tailings expansion)	0.07	0.03	0.04	0.05
Capitalised stripping costs ⁽¹⁾	0.05	0.27	0.23	0.11
Other costs	0.13	0.09	0.11	0.09
AISC	3.07	3.28	2.90	3.26

(1) Represents the Cerro Colorado pit only.

Note: Some figures may not add up due to rounding.

Cash Costs were US\$2.62/lb payable copper in Q4 2025 (Q4 2024: US\$2.79/lb) and US\$2.40/lb payable copper in FY2025 (FY2024: US\$2.92/lb), with the annual decrease due to higher copper production, higher silver credits and lower treatment charges, partly offset by a stronger EUR/USD exchange rate which is a headwind for USD-denominated metrics.

AISC were US\$3.07/lb payable copper in Q4 2025 (Q4 2024: US\$3.28/lb) and US\$2.90/lb payable copper in FY2025 (FY2024: US\$3.26/lb), with the annual decrease due to the same factors that impacted Cash Costs, but partly offset by higher capitalised stripping at Cerro Colorado. AISC excludes investments in the tailings dam (consistent with prior reporting) and waste stripping at the San Dionisio area.

Q4 and FY2025 Financial Results Highlights

Income Statement

Revenues were €121.4 million in Q4 2025 (Q4 2024: €77.9 million) and €482.9 million in FY2025 (FY2024: €326.8 million), as a result of higher concentrate sales, higher realised copper prices and lower offsite costs.

Operating costs were €80.0 million in Q4 2025 (Q4 2024: €65.2 million) and €303.2 million in FY2025 (FY2024: €260.4 million), mainly due to higher mining and processing rates.

EBITDA was €41.4 million in Q4 2025 (Q4 2024: €12.7 million) and €179.8 million in FY2025 (FY2024: €66.4 million).

Profit after tax was €14.5 million in Q4 2025 (Q4 2024: €14.9 million) or 10.3 cents basic earnings per share (Q4 2024: 8.7 cents) and €85.4 million in FY2025 (FY2024: €32.6 million) or 60.8 cents basic earnings per share (FY2024: 22.6 cents). Profits were impacted by an impairment recognised in relation to the E-LIX project of €24.1 million in FY2025.

Cash Flow Statement

Cash flows from operating activities before changes in working capital were €43.3 million in Q4 2025 (Q4 2024: €11.7 million) and €72.5 million after working capital changes (Q4 2024: €11.1 million). For FY2025, cash flows from operating activities before changes in working capital were €188.0 million (FY2024: €66.4 million) and €192.5 million after working capital changes (FY2024: €53.4 million).

Cash flows used in investing activities were €25.3 million in Q4 2025 (Q4 2024: €16.6 million) and €85.1 million in FY2025 (FY2024: €66.1 million). Key investments in Q4 2025 included €1.8 million in sustaining capex, €1.1 million in capitalised stripping at Cerro Colorado, €12.2 million related to the San Dionisio area, €4.3 million to expand the tailings dam and €1.9 million for the solar plant.

Cash flows from financing activities were positive €11.4 million in Q4 2025 (Q4 2024: negative €19.2 million) and positive €13.4 million in FY2025 (FY2024: negative €57.3 million), as a result of temporary movements in the Company's working capital facilities.

Balance Sheet

The Company's balance sheet remains strong with consolidated cash and cash equivalents of €166.3 million as of 31 December 2025 (31 December 2024: €52.9 million).

Current and non-current borrowings were €44.3 million, resulting in a net cash position of €122.0 million as of 31 December 2025 (31 December 2024: €35.1 million).

Inventories of concentrate valued at cost were €3.8 million at 31 December 2025 (31 December 2024: €19.7 million). The total working capital surplus was €93.8 million at 31 December 2025 (31 December 2024: €44.7 million).

Subsequent to the end of the Period, the Company completed an equity offering that further strengthened its net cash position to approximately €264 million, as described below.

2025 Final Dividend

Atalaya has a dividend policy that seeks to provide capital returns to its shareholders while maintaining balance sheet strength and the ability to make investments in the Company's growth projects and potential external opportunities. Dividends are payable in two half-yearly instalments.

The Board of Directors has proposed a final dividend for FY2025 of €0.065 per ordinary share ("2025 Final Dividend"), which is equivalent to approximately US\$0.075 or £0.056 per share. Payment of the 2025 Final Dividend is subject to shareholder approval at the Company's 2026 Annual General Meeting ("AGM"). Should it be approved, the 2025 Final Dividend, together with the 2025 Interim Dividend paid in October 2025, would result in a FY2025 Dividend of €0.109 per ordinary share, which compares to the FY2024 Dividend of €0.0637 (or US\$0.07 or £0.0538). Further details on the timing of the potential payment of the 2025 Final Dividend will be provided ahead of the AGM.

Outlook for 2026

Production

In late January and early February 2026, rainfall at Riotinto was unusually high and resulted in difficult mining conditions as well as reduced access to certain areas in the Cerro Colorado pit. As a result, the copper grade processed in Q1 2026 to date has been below planned levels.

Copper production guidance for FY2026 continues to be 50,000 to 54,000 tonnes, with H2 2026 production to be approximately 10% higher than H1 2026 production. In addition, silver contained in copper concentrate is expected to be 0.9 to 1.1 million ounces in FY2026.

Operating Costs

During FY2025, the prices of key consumables and other costs were stable. However, ongoing conflicts including the recent events in Iran could disrupt supply chains and increase energy prices, which in turn can impact the costs of certain consumables. With respect to electricity prices, Spain benefits from a diversified energy mix including significant contributions from solar, wind, hydro and nuclear, while Atalaya's long-term PPA and solar plant are expected to reduce the impact of price volatility.

Cash Costs and AISC guidance for FY2026 are as follows:

- Cash Costs range of US\$2.60 – 2.90/lb copper payable
- AISC range of US\$3.10 – 3.40/lb copper payable
 - Includes capitalised stripping costs of ~US\$0.20/lb from Cerro Colorado

AISC guidance excludes investments in the tailings dam and ongoing waste stripping at the San Dionisio area, which are included in the non-sustaining capital investment guidance below.

Non-Sustaining Capital Investments

Atalaya is focused on advancing its copper growth projects in Spain in order to capitalise on strong copper market fundamentals. Development of Atalaya's project pipeline offers the potential to increase production, diversify the Company's sources of mined material, extend mine life and reduce unit costs.

The Company plans to make the following non-sustaining capital investments in FY2026:

Item	€ million
San Dionisio waste stripping and road relocation	€50 – 60
Proyecto Masa Valverde access ramp ⁽¹⁾	€10 – 18
Expansion of existing Riotinto tailings facility	€10 – 14
Other investments	€5 – 10
Total non-sustaining capital investments	€75 – 102

(1) Remains subject to final Board approval

Additional investments, including related to Proyecto Touro and the Riotinto polymetallic circuit, could be approved once key permitting steps and engineering works are completed, as described below.

Exploration and Other Project Expenses

Atalaya continues to invest in exploration across its key projects and land packages in Spain, and through its earn-in agreements in Sweden.

In FY2026, exploration and other project expenses is expected to be €5 – 7 million. The primary focus will be to upgrade and expand resources at San Antonio, Proyecto Masa Valverde and Proyecto Touro, and test targets at Proyecto Ossa Morena, Proyecto Riotinto East and in Sweden.

Corporate Activities Update

Board of Directors

On 30 December 2025, the Company announced the appointment of Dr. Mike Armitage as an independent non-executive director with effect from 19 January 2026, replacing Steve Scott who stepped down from the Board on 31 December 2025. Several changes were subsequently made in relation to the composition of the Board's various committees.

Fundraise (Subsequent Event)

In January 2026, the Company completed an equity offering that raised gross proceeds of £130 million (or approximately €150 million) from new institutional investors, existing shareholders and eligible retail investors. The fundraise was significantly oversubscribed.

Proceeds from the fundraise will allow Atalaya to accelerate the development of its copper growth projects in Spain in order to capitalise on strong copper market fundamentals. Net proceeds from the fundraise, combined with the Company's net cash position at 31 December 2025, would result in a pro-forma net cash position of approximately €264 million.

Asset Portfolio Update

Proyecto Riotinto

Waste stripping activities at San Dionisio accelerated in the latter half of 2025, with total material mined of 5.8 million tonnes in Q4 2025 and 12.4 million tonnes in FY2025. In FY2026, 19 to 23 million tonnes of waste stripping is expected. San Dionisio represents a key component of Atalaya's strategy to increase copper production by sourcing higher-grade material from deposits throughout the Riotinto District to be blended with ore from Cerro Colorado.

At San Antonio, the polymetallic deposit located immediately east of the Cerro Colorado pit, the infill and step-out drilling programme made further progress in 2025 and will continue in 2026.

Atalaya continues to advance engineering works associated with processing plant modifications that would allow for the simultaneous treatment of polymetallic and copper ores at Riotinto, including optimising the layout of the new circuits within the existing plant footprint in order to minimise capital and operating costs.

E-LIX Phase I Plant

In Q4 2025, the E-LIX Phase I plant operated intermittently and produced zinc precipitates from copper-zinc concentrates, although at a variable and reduced capacity. All zinc precipitates that were produced were sold.

As E-LIX has demonstrated technological viability, Atalaya believes E-LIX has the potential to unlock value from complex material in the Iberian Pyrite Belt and beyond, provided it can demonstrate consistent operational and financial performance at scale.

However, the operation of the plant at reduced capacity had a negative impact on profitability, which affected Lain Technologies' financial position. Consequently, Atalaya has recognised an impairment of €24.1 million in FY2025 in relation to the E-LIX project, resulting in a remaining carrying value of €31.8 million, comprising tangible assets and the convertible loan with Lain Technologies.

Riotinto District – Proyecto Masa Valverde ("PMV")

In 2025, infill and extensional drilling at the Masa Valverde deposit continued and further infill drilling is planned for 2026. Focus will remain on the stockwork-style mineralisation, which is expected to be amenable for processing at the existing Riotinto facilities, and support Atalaya's initial focus on the Masa Valverde copper zones. Development of the access ramp is subject to final Board approval.

PMV has been granted the two key permits required for development – the Unified Environmental Authorisation (or in Spanish, Autorización Ambiental Unificada ("AAU")) and the exploitation permit.

Proyecto Touro

On 24 June 2024, Atalaya announced that Proyecto Touro, via its local entity Cobre San Rafael, was declared a strategic industrial project by the Council of the Xunta de Galicia ("XdG"). Under legislation of the Autonomous Community of Galicia, the status of strategic industrial project (or in Spanish, Proyecto Industrial Estratégico ("PIE")) acts to simplify the administrative procedures associated with the development of industrial projects and intends to substantially reduce permitting timelines.

This declaration highlights the XdG's commitment to promoting new investment that will benefit the region and also support the objectives of the European Union. As a result, Cobre San Rafael has applied to the second call for strategic projects launched by the European Commission, where the main objective is to ensure a secure and sustainable supply of critical raw materials for European industry.

The XdG is continuing its review according to the simplified procedures afforded to projects with PIE status. The public information period, which serves to inform the surrounding communities and organisations about the proposed project, concluded on 31 January 2025. Cobre San Rafael has addressed the feedback from the public information period, and most sectoral reports from the Xunta de Galicia have been finalised, with only two reports still pending. The Company has also responded to requests for additional information and is awaiting a small number of corresponding replies.

The Company continues to engage with the many stakeholders in the region and is restoring the water quality of the rivers around Touro by operating its water treatment plant. Recruitment initiatives in relation to its potential future workforce are ongoing.

Engineering, procurement and cost estimation works continue to be a major focus. In addition, infill and step-out drilling programmes will continue in 2026.

Proyecto Ossa Morena

Drilling is expected to begin at the Guijarro-Chaparral gold-copper project in the coming weeks.

Proyecto Riotinto East

Drilling will begin at the Cerro Negro and Peñas Blancas permits in the coming weeks.

Skellefte Belt and Rockliden (Sweden)

In November 2024, Atalaya announced that it had entered into two binding agreements with Mineral Prospektering i Sverige AB ("MPS") pursuant to which Atalaya can earn an initial 75% interest in two separate land packages in Sweden. The Skellefte Belt land package ("Skellefte Belt Project") and the Rockliden land package ("Rockliden Project") are located in two notable districts that host many large-scale volcanogenic massive sulphide ("VMS") deposits and mines owned by Boliden AB. Both regions are underexplored and could increase Atalaya's exposure to critical minerals in Europe.

Following the successful autumn drilling campaign, operations at both projects resumed in early January with three rigs on-site. Work will continue while ground conditions remain favourable. To date in 2026, over 5,000 metres of drilling have been completed, primarily focused on the Skellefte Belt Project.

Ground-based FLEM geophysical surveys targeting promising VTEM anomalies are progressing well and are proving highly effective at defining drill targets. Several of these new targets are currently being tested at the Kedträsk nr 1 licence.

With respect to the Skellefte Belt earn-in agreement, Atalaya has confirmed its election to proceed to Stage 1 Exploration Operations, following the fulfilment of its Minimum Expenditure commitments.

The person responsible for arranging release of this announcement on behalf of the Company is César Sánchez (CFO).

This announcement contains information which, prior to its publication constituted inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

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About Atalaya Mining Copper, S.A.

Atalaya is a European copper producer that owns and operates the Proyecto Riotinto complex in southwest Spain. Atalaya's shares trade on the London Stock Exchange's Main Market under the symbol "ATYM" and Atalaya is a FTSE 250 Index constituent.

Atalaya's operations include the Cerro Colorado open pit mine and a modern 15 Mtpa processing plant, which has the potential to become a central processing hub for ore sourced from its wholly owned regional projects around Riotinto, such as Proyecto Masa Valverde and Proyecto Riotinto East. In addition, Atalaya has a phased earn-in agreement for up to 80% ownership of Cobre San Rafael S.L., which fully owns the Proyecto Touro brownfield copper project in the northwest of Spain, as well as a 99.9% interest in Proyecto Ossa Morena. For further information, please visit www.atalayamining.com

ATALAYA MINING COPPER, S.A.
MANAGEMENT'S REVIEW AND
EXTRACT OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
31 December 2025

Notice to Reader

The accompanying consolidated financial statements of Atalaya Mining Copper, S.A. have been prepared by and are the responsibility of Atalaya Mining Copper, S.A.'s management.

Introduction

This report provides an overview and analysis of the financial results of operations of Atalaya Mining Copper, S.A. and its subsidiaries ("Atalaya" and/or "Group"), to enable the reader to assess material changes in the financial position between 31 December 2024 and 31 December 2025 and results of operations for the three and twelve months ended 31 December 2025 and 2024.

This report has been prepared as of 18 March 2026. The analysis hereby included is intended to supplement and complement the audited consolidated financial statements and notes thereto ("Financial Statements") as at and for the period ended 31 December 2025, which will be released together with the Company's 2025 Annual Report.

Atalaya prepares its Annual Financial Statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the EU. The currency referred to in this document is the Euro, unless otherwise specified.

Forward Looking Statements

This report may include certain "forward-looking statements" and "forward-looking information" applicable under securities laws. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements. Forward-looking statements are frequently characterised by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made and are based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Assumptions upon which such forward-looking statements are based include all required third party regulatory and governmental approvals that will be obtained. Many of these assumptions are based on factors and events that are not within the control of Atalaya and there is no assurance they will be correct. Factors that cause actual results to vary materially from results anticipated by such forward-looking statements include changes in market conditions and other risk factors discussed or referred to in this report and other documents filed with the applicable securities regulatory authorities. Although Atalaya has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Atalaya undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

Non-Financial Information Statement

The Non-Financial Information Statement has been prepared in accordance with the requirements of Spanish Law 11/2018, of 28 December, on non-financial and diversity information (amending the Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010 of 2 July, and Law 22/2015 of 20 July on Auditing). This statement aims to provide stakeholders with relevant information on the Group's environmental, social, and governance performance.

For a comprehensive overview of Atalaya's ESG performance, including environmental initiatives, social impact, employee relations, human rights policies, and anti-corruption measures, please refer to the Atalaya Sustainability Report 2025, which is published separately and provides detailed disclosures aligned with international reporting standards such as the Global Reporting Initiative (GRI) standards.

1. Incorporation and summary of business

Atalaya Mining Plc was incorporated in Cyprus on 17 September 2004 as a private company with limited liability under the Companies Law, Cap. 113 and was converted to a public limited liability company on 26 January 2005. Its registered office was at 1 Lampousa Street, Nicosia, Cyprus.

The Company was first listed on the Alternative Investment Market (AIM) of the London Stock Exchange in May 2005.

Change of name and share consolidation (2015)

Following the Company's Extraordinary General Meeting ("EGM") on 13 October 2015, the change of name from EMED Mining Public Limited to Atalaya Mining Plc became effective on 21 October 2015. On the same day, the consolidation of ordinary shares came into effect, whereby all shareholders received one new ordinary share of nominal value Stg £0.075 for every 30 existing ordinary shares of nominal value Stg £0.0025. The Company's trading symbol became "ATYM".

On 29 April 2024, the Company was admitted to trading on the main market of the London Stock Exchange.

Cross-border conversion (re-domiciliation) (2024-2025)

On 10 January 2025, the Company successfully completed a cross-border conversion, resulting in its re-domiciliation from the Republic of Cyprus to the Kingdom of Spain. This process was carried out in accordance with the Company's strategic objectives to align its corporate structure with its operational base in Spain.

A cross-border conversion deed was executed on 23 December 2024 and subsequently filed with the Spanish Commercial Registry on 27 December 2024. Under Spanish corporate law, the re-domiciliation became legally effective from the date of registration with the Spanish Commercial Registry, i.e., 27 December 2024. However, for administrative and procedural purposes, the final formalities were completed on 9 January 2025, with the official public announcement being made on 10 January 2025. Following this change:

- Atalaya's corporate seat was transferred from Cyprus to Spain, and Atalaya became a Spanish public limited company (Sociedad Anónima) under the laws of the Kingdom of Spain;
- Atalaya's registered name changed from Atalaya Mining Plc to Atalaya Mining Copper, S.A.; and;
- Atalaya's registered address changed from 1, Lampousas Street, 1095 Nicosia, Cyprus to Paseo de las Delicias, 1, 3, 41001, Sevilla, Spain.

The Company's shares commenced trading under "Atalaya Mining Copper, S.A." on 10 January 2025 at 8:00 am (London time) and the nominal value of the Company's shares were also adjusted from 7.5p to €0.09 per share.

Principal activities

Atalaya is a European mining and development company. The strategy is to evaluate and prioritise metal production opportunities in several jurisdictions throughout the well-known belts of base and precious metal mineralisation in Spain, elsewhere in Europe and Latin America.

The Group has interests in four mining projects: Proyecto Riotinto, Proyecto Touro, Proyecto Masa Valverde and Proyecto Ossa Morena. In addition, the Group has an earn-in agreement to acquire certain investigation permits at Proyecto Riotinto East.

The Group also has earn-in agreements related two exploration projects in Sweden, the Skellefte Belt Project and the Rockliden Project, pursuant to agreements entered into in 2024 with Mineral Prospektering i Sverige AB.

Additional information about the Company is available at www.atalayamining.com.

2. Operating Review

Proyecto Riotinto

The following table presents a summarised statement of operations of Proyecto Riotinto for the three and twelve month periods ended 31 December 2025 and 2024.

<i>Units expressed in accordance with the international system of units (SI)</i>	Unit	Q4 2025	Q4 2024	FY2025	FY2024
Ore mined	<i>tonnes</i>	3,870,606	3,507,203	14,820,168	15,176,009
Waste mined ⁽¹⁾	<i>tonnes</i>	9,237,191	10,200,079	43,000,248	32,824,156

Ore processed	tonnes	4,140,621	3,757,040	16,630,699	15,913,064
Copper grade	%	0.33	0.41	0.39	0.35
Copper concentrate grade	%	17.39	17.37	17.15	18.33
Copper recovery	%	83.87	78.15	78.84	83.06
Copper concentrate produced	tonnes	66,402	69,550	298,108	252,165
Copper production	tonnes	11,550	12,078	51,139	46,227
Payable copper production	tonnes	10,886	11,382	48,158	43,706
Cash Costs	\$/lb payable	2.62	2.79	2.40	2.92
All-in Sustaining Cost	\$/lb payable	3.07	3.28	2.90	3.26

(1) Represents the Cerro Colorado pit only.

There may be slight differences between the numbers in the above table and the figures announced in the quarterly operations updates that are available on Atalaya's website at www.atalayamining.com.

\$/lb Cu payable	Q4 2025	Q4 2024	FY2025	FY2024
Mining	1.31	1.05	1.01	1.07
Processing	0.90	0.88	0.85	0.90
Other site operating costs	0.80	0.66	0.67	0.64
Total site operating costs	3.01	2.58	2.53	2.61
By-product credits	(0.49)	(0.34)	(0.38)	(0.27)
Freight, treatment charges and other offsite costs	0.10	0.55	0.25	0.58
Net offsite costs	(0.39)	0.21	(0.14)	0.30
Cash Costs	2.62	2.79	2.40	2.92
Cash Costs	2.62	2.79	2.40	2.92
Corporate costs	0.20	0.11	0.12	0.10
Sustaining capital (excluding tailings expansion)	0.07	0.03	0.04	0.05
Capitalised stripping costs ⁽¹⁾	0.05	0.27	0.23	0.11
Other costs	0.13	0.09	0.11	0.09
AISC	3.07	3.28	2.90	3.26

(1) Represents the Cerro Colorado pit only.

There may be slight differences between the numbers in the above table and the figures announced in the quarterly operations updates that are available on Atalaya's website at www.atalayamining.com.

Mining and Processing

Mining

Ore mined was 3.9 million tonnes in Q4 2025 (Q4 2024: 3.5 million tonnes) and 14.8 million tonnes in FY2025 (FY2024: 15.2 million tonnes).

Waste mined was 9.2 million tonnes in Q4 2025 (Q4 2024: 10.2 million tonnes) and 43.0 million tonnes in FY2025 (FY2024: 32.8 million tonnes). In addition, waste stripping activities continued at the San Dionisio area.

Processing

The plant processed ore of 4.1 million tonnes in Q4 2025 (Q4 2024: 3.8 million tonnes) and 16.6 million tonnes in FY2025 (FY2024: 15.9 million tonnes), which represents a new annual throughput record.

Copper grade was 0.33% in Q4 2025 (Q4 2024: 0.41%) and 0.39% in FY2025 (FY2024: 0.35%).

Copper recovery was 83.87% in Q4 2025 (Q4 2024: 78.15%) and 78.84% in FY2025 (FY2024: 83.06%).

Production

Copper production was 11,550 tonnes in Q4 2025 (Q4 2024: 12,078 tonnes) and 51,139 tonnes in FY2025 (FY2024: 46,227 tonnes), which achieved the higher end of the Company's FY2025 guidance range of 49,000 to 52,000 tonnes. In addition, silver contained in copper concentrate was 1.2 million ounces in FY2025 (FY2024: 1.1 million ounces).

On-site copper concentrate inventories were 4,050 tonnes at 31 December 2025 (30 September 2025: 8,092 tonnes).

Copper contained in concentrates sold was 11,823 tonnes in Q4 2025 (Q4 2024: 10,271 tonnes) and 53,487 tonnes in FY2025 (FY2024: 43,609 tonnes). Copper sales exceeded production during FY2025 primarily due to the drawdown of on-site concentrate inventories during the year.

3. Operational Guidance

The forward-looking information contained in this section is subject to the risk factors and assumptions contained in the cautionary statement on forward-looking statements included in the Basis of Reporting. Should the Company consider the current guidance as no longer achievable, the Company will provide a further update.

Proyecto Riotinto operational guidance for 2026 is as follows:

	Unit	Guidance 2026
Ore mined	million tonnes	15.5 – 16.0
Waste mined ⁽¹⁾	million tonnes	38 – 44
Ore processed	million tonnes	15.5 – 16.0
Copper grade	%	0.38 – 0.41
Copper recovery	%	79 – 83
Copper production	tonnes	50,000 – 54,000
Cash Costs	\$/lb payable	\$2.60 – 2.90
All-in Sustaining Cost	\$/lb payable	\$3.10 – 3.40

(2) Represents the Cerro Colorado pit only. Waste guidance is 57 – 67 million tonnes when including the San Dionisio pit.

Production

In late January and early February 2026, rainfall at Riotinto was unusually high and resulted in difficult mining conditions as well as reduced access to certain areas in the Cerro Colorado pit. As a result, the copper grade processed in Q1 2026 to date has been below planned levels.

Copper production guidance for FY2026 continues to be 50,000 to 54,000 tonnes, with H2 2026 production to be approximately 10% higher than H1 2026 production. In addition, silver contained in copper concentrate is expected to be 0.9 to 1.1 million ounces in FY2026.

Operating Costs

During FY2025, the prices of key consumables and other costs were stable. However, ongoing conflicts including the recent events in Iran could disrupt supply chains and increase energy prices, which in turn can impact the costs of certain consumables. With respect to electricity prices, Spain benefits from a diversified energy mix including significant contributions from solar, wind, hydro and nuclear, while Atalaya's long-term PPA and solar plant are expected to reduce the impact of price volatility.

Cash Costs and AISC guidance for FY2026 are as follows:

- Cash Costs range of \$2.60 – 2.90/lb copper payable
- AISC range of \$3.10 – 3.40/lb copper payable
 - Includes capitalised stripping costs of ~\$0.20/lb from Cerro Colorado

AISC guidance excludes investments in the tailings dam and ongoing waste stripping at the San Dionisio area, which are included in the non-sustaining capital investment guidance below.

Non-Sustaining Capital Investments

Atalaya is focused on advancing its copper growth projects in Spain in order to capitalise on strong copper market fundamentals. Development of Atalaya's project pipeline offers the potential to increase production, diversify the Company's sources of mined material, extend mine life and reduce unit costs.

The Company plans to make the following non-sustaining capital investments in FY2026:

Item	€ million
San Dionisio waste stripping and road relocation	€50 – 60
Proyecto Masa Valverde access ramp ⁽¹⁾	€10 – 18
Expansion of existing Riotinto tailings facility	€10 – 14

Other investments	€5 – 10
Total non-sustaining capital investments	€75 – 102

(1) Remains subject to final Board approval

Additional investments, including related to Proyecto Touro and the Riotinto polymetallic circuit, could be approved once key permitting steps and engineering works are completed, as described below.

Exploration and Other Project Expenses

Atalaya continues to invest in exploration across its key projects and land packages in Spain, as well as its earn-in agreements in Sweden.

In FY2026, exploration and other project expenses is expected to be €5 – 7 million. The primary focus will be to upgrade and expand resources at San Antonio, Proyecto Masa Valverde and Proyecto Touro, and test targets at Proyecto Ossa Morena, Proyecto Riotinto East and in Sweden.

4. Financial Review

Income Statement

The following table presents a summarised consolidated income statement for the three and twelve month periods ended 31 December 2025 and 31 December 2024.

(Euro 000's)	Three month ended 31 Dec 2025	Three month ended 31 Dec 2024	Twelve month ended 31 Dec 2025	Twelve month ended 31 Dec 2024
Revenues from operations	121,412	77,852	482,915	326,797
Cost of sales	(72,524)	(59,598)	(287,998)	(242,163)
Corporate expenses	(3,778)	(1,833)	(10,472)	(7,927)
Exploration expenses	(3,454)	(4,637)	(8,426)	(7,950)
Care and maintenance expenditure	(245)	1,269	(291)	(2,784)
Other income	3,036	(373)	4,028	383
EBITDA	41,447	12,680	179,756	66,356
Depreciation/amortisation	(7,740)	(10,625)	(47,520)	(43,565)
Net (Impairment)/reversal on Assets ⁽¹⁾	(21,418)	5,744	(21,418)	5,744
Net foreign exchange gain/(loss)	(384)	2,532	(6,263)	3,090
Net finance income/(cost)	669	553	(2,292)	(102)
Tax	1,877	4,038	(16,900)	1,037
Profit for the year	14,451	14,922	85,363	32,560

(1) Includes impairment recognised in 2025 relating to the E-LIX project and the reversal of a prior impairment in 2024 relating to Proyecto Touro. Refer to Notes 13 and 14, respectively

Three months financial review

Revenues for Q4 2025 amounted to €121.4 million, up from €77.9 million in Q4 2024. The increase was primarily due to higher concentrate sales volumes, higher realised copper price and lower TC/RC prices. Realised copper prices, excluding QPs, were US\$5.10/lb in Q4 2025, compared with US\$4.10/lb in Q4 2024. Including QPs, the realised price was approximately US\$4.85/lb.

Copper contained in concentrates sold was 11,823 tonnes in Q4 2025 and 10,271 tonnes in Q4 2024.

Cost of sales for Q4 2025 totalled €72.5 million, compared to €59.6 million in Q4 2024. The increase was mainly due to a lower volume of concentrate stock at the end of the period and utilities costs. Cash costs stood at US\$2.62/lb payable copper, down from US\$2.79/lb in the prior-year quarter, benefiting from silver credits and lower offsite costs despite lower copper payable. All-in Sustaining Costs (AISC) for Q4 2025, excluding investments in the tailings dam, were US\$3.07/lb payable copper, compared with US\$3.28/lb in Q4 2024. The decrease was mainly due to lower capitalised stripping costs.

Sustaining capex for Q4 2025 amounted to €1.8 million, compared with €0.4 million in Q4 2024, primarily related to plant processing system improvements. Investment in the tailings dam project during Q4 2025 was €4.3 million (€4.0 million in Q4 2024). Investments in the San Dionisio area was €12.2 million. Capitalised stripping costs for Cerro Colorado for Q4 2025 were €1.1 million, lower than previous year

(€6.2 million). The 50 MW solar plant construction capex totalled €1.9 million in Q4 2025.

Corporate expenses for Q4 2025 totalled €3.8 million, compared with €1.8 million in Q4 2024. These expenses include non-operating costs of the Cyprus office, corporate legal and consultancy fees, listing costs, and salaries for corporate officers and directors. Exploration expenses for the three-month period ended 31 December 2025 were €3.4 million, compared to €4.6 million in Q4 2024.

EBITDA for Q4 2025 amounted to €41.4 million, up from €12.7 million in Q4 2024. Depreciation and amortisation is below €2.9 million from €7.7 million due to the increase in Ore Reserves that were incorporated during the period. Net foreign exchange loss in Q4 2025 were €0.4 million, compared with a gain of €2.5 million in Q4 2024. Net financing income in Q4 2025 were a positive €0.7 million, compared with a positive of €0.6 million in the prior-year quarter.

Twelve months financial review

Revenues for FY 2025 totalled €482.9 million, compared with €326.8 million in FY 2024. The increase was mainly due to higher concentrate sales volumes with higher realised price, partially offset by lower concentrate grades.

Copper concentrate production for FY 2025 was 298,108 tonnes, up from 252,165 tonnes in FY 2024, while sales totalled 316,282 tonnes, up from 237,072 tonnes in the previous year. Inventories of concentrates at year-end stood at 4,050 tonnes, compared with 21,815 tonnes at 31 December 2024. Copper contained in concentrates sold was 53,487 tonnes in FY 2025 and 43,609 tonnes in FY2024.

Realised copper prices, excluding QPs, averaged US\$4.49/lb in FY 2025, compared with US\$4.19/lb in FY 2024. The Company did not enter into any hedging agreements during 2025.

Cost of sales for FY 2025 amounted to €288.0 million, up from €242.2 million in 2024. The increase in costs was mainly due to a negative impact from a lower year-end copper concentrate inventories and higher electricity costs. Cash costs for FY 2025 were US\$2.40/lb payable copper, down from US\$2.92/lb in 2024, mainly due to higher copper production, higher silver by-product credits and a reduction in offsite costs levels. AISC, excluding investment in the tailings dam, stood at US\$2.90/lb payable copper in FY 2025, compared to US\$3.26/lb in FY 2024, with the decrease driven by lower on cash costs and partially offset with higher stripping costs capitalised.

Sustaining capex for the twelve-month period ended 31 December 2025 totalled €4.1 million, compared with €4.0 million in FY 2024, mainly for plant processing system upgrades. Investment in the tailings dam expansion was €15.8 million, compared with €14.8 million in 2024. The 50 MW solar plant construction capex amounted to €2.6 million in FY 2025, San Dionisio area was €25.3 million, capitalised stripping costs for Cerro Colorado was €22.1 million, while investments in the E-LIX Phase I plant totalled €0.2 million (€2.1 million in 2024).

Corporate expenses for FY 2025 amounted to €10.5 million, up from €7.9 million in FY 2024 as the last year was reflecting lower overhead costs. Exploration expenses for the year totalled €8.4 million, compared with €7.9 million in 2024, main exploration work carried out at Sweden Projects and Proyecto Masa Valverde and Riotinto.

EBITDA for FY 2025 was €179.8 million, up from €66.4 million in FY 2024. Depreciation and amortisation for the year amounted to €47.5 million, compared with €43.6 million in 2024. Net impairment on assets for FY 2025 amounted to €21.4 million, compared with a net impairment reversal of €5.7 million in FY 2024 related to Proyecto Touro. The net foreign exchange loss for FY 2025 was €6.3 million, compared with a gain of €3.1 million in FY 2024.

Net finance costs for FY 2025 amounted to negative €2.3 million, compared with €0.1 million in FY 2024.

Net impairment on assets for FY 2025 amounted to €21.4 million, compared with a net impairment reversal of €5.7 million in FY 2024 related to Proyecto Touro. The 2025 impairment primarily relates to the E-LIX project. In addition, finance costs for the year include an impairment loss of €2.7 million recognised on loans granted in connection with the E-LIX project, reflecting management's reassessment of the recoverability of these balances.

Profit after tax for FY 2025 was €85.4 million, up from €32.6 million in FY 2024. Tax expenses amounted to €16.9 million, compared to €1.0 million in 2024. Earnings per share for FY 2025 was 60.8 cents, compared with 22.6 cents in FY 2024. Diluted EPS was 58.3 cents, up from 21.8 cents in the prior year.

Realised Copper Prices

The average prices of copper for 2025 and 2024 were:

\$/lb	Q4 2025	Q4 2024	FY2025	FY2024
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Realised copper price (excluding QPs)	\$/lb	5.10	4.10	4.49	4.19
Market copper price per lb (period average)	\$/lb	5.03	4.16	4.51	4.15

Realised copper prices for the reporting period noted above have been calculated using payable copper and excluding both provisional invoices and final settlements of quotation periods ("QPs") together. The realised price during 2025, including quotation period adjustments, was approximately \$4.45/lb.

Foreign Exchange

In FY2025, Atalaya recognised a foreign exchange loss of €6.3 million (FY2024 gain: €3.1 million). The foreign exchange loss mainly related to variances in EUR and USD conversion rates during the period as all sales are settled and occasionally held in USD.

The following table summarises the movement in key currencies versus the EUR:

	Three months ended 31 Dec 2025	Three months ended 31 Dec 2024	Twelve months ended 31 Dec 2025	Twelve months ended 31 Dec 2024
Average rates for the periods				
GBP – EUR	0.8753	0.8324	0.8568	0.8587
USD – EUR	1.1634	1.0681	1.130	1.091
Spot rates as at				
GBP – EUR	0.8726	0.8292	0.8726	0.8292
USD – EUR	1.175	1.039	1.175	1.039

During 2025 and 2024, Atalaya did not have any currency hedging agreements.

Financial Position

(Euro 000's)	31 Dec 2025	31 Dec 2024
ASSETS		
Non-current assets	550,436	531,306
Other current assets	72,066	91,400
Tax refundable	2,834	266
Cash and cash equivalents	166,306	52,878
Total Assets	791,642	675,850
Shareholders' Equity	591,810	518,537
LIABILITIES		
Non-current liabilities	52,448	57,497
Current liabilities	147,384	99,816
Total Liabilities	199,832	157,313
Total Equity and Liabilities	791,642	675,850

Assets

As of 31 December 2025, total assets amounted to €791.6 million, up from €675.9 million on 31 December 2024, representing an increase of €115.8 million. This increase is mainly driven by the growth in property, plant, and equipment, intangible assets, and cash and cash equivalents, partially offset by the reduction in inventories and trade receivables. The increase in cash and cash equivalents is primarily due to an increase of concentrate sold and higher copper price.

Non-current assets as of 31 December 2025 amounted to €550.4 million compared to €531.3 million in 2024. This includes property, plant, and equipment of €447.7 million in 2025, increasing from €409.0 million in 2024, intangible assets of €74.9 million in 2025 compared to €70.2 million in 2024, non-current trade and other receivables amounting to €1.1 million in 2025, down from €33.3 million in 2024, non-

current financial assets remaining stable at €1.1 million, and deferred tax assets of €15.8 million, increasing from €15.1 million in 2024.

Current assets as of 31 December 2025 amounted to €241.2 million, increasing from €144.5 million in 2024. Within this category, inventories decreased significantly to €30.9 million from €49.2 million in 2024, while trade and other receivables increased to €41.1 million compared to €36.9 million in 2024. Tax refundable increased to €2.9 million from €0.3 million in 2024. Cash and cash equivalents significantly increased to €166.3 million, up from €52.9 million in 2024, mainly due to higher production and concentrate sold. The most notable change in current assets was the substantial increase in cash and cash equivalents, offset partially by the decrease in inventories, reflecting a lower level of concentrates in stockpile.

Liabilities

Non-current liabilities amounted to €52.4 million, decreasing from €57.5 million in 2024. The most significant component of non-current liabilities are provisions, which stood at €28.8 million in 2025, down from €29.3 million in 2024. In addition to the provision, non-current liabilities included borrowings of €5.7 million, a decrease from €10.9 million in 2024, lease liabilities of €3.8 million, up from €3.3 million in 2024, and trade and other payables remaining stable at €14.1 million, from €14.0 million in 2024.

Current liabilities as of 31 December 2025 stood at €147.3 million, compared to €99.8 million in 2024. This includes borrowings of €38.6 million, a significant increase from €6.9 million in 2024, trade and other payables of €106.1 million, up from €90.1 million in 2024, current tax liabilities of €0.1 million, decreasing from €1.4 million in 2024, current provisions of €1.8 million, down from €0.9 million in 2024, and lease liabilities of €0.6 million, which remained stable from €0.5 million in 2024.

Total liabilities increased to €199.8 million from €157.3 million in 2024, mainly due to the increase in short term borrowings.

Total equity as of 31 December 2025 amounted to €591.8 million, up from €518.5 million in 2024, reflecting an increase of €73.2 million. Share capital and share premium stood unchanged from 2024 at €12.7 million and €321.9 million. Accumulated profit stood at €166.1 million, up from €93.1 million in 2024. Non-controlling interests amounted to €1.9 million, compared to €2.2 million in 2024.

Overall, total equity and liabilities as of 31 December 2025 stood at €791.6 million, marking an increase from €675.9 million in the previous year.

Results

The Group's and Company's consolidated results are set out on the Consolidated Statements of Comprehensive Income.

Liquidity and Capital Resources

Atalaya monitors factors that could impact its liquidity as part of the Company's overall capital management strategy. Factors that are monitored include, but are not limited to, the market price of copper, foreign currency rates, production levels, operating costs, capital and administrative costs.

The following is a summary of Atalaya's cash position as at 31 December 2025 and 2024, and cash flows for the twelve months ended 31 December 2025 and 2024.

Liquidity Information

(Euro 000's)	31 Dec 2025	31 Dec 2024
Unrestricted cash and cash equivalents at Group level	146,505	43,184
Unrestricted cash and cash equivalents at Operation level	19,801	9,694
Consolidated cash and cash equivalents	166,306	52,878
Net cash position	121,960	35,091
Working capital surplus	93,822	44,728

Unrestricted cash and cash equivalents as at 31 December 2025 increased to €166.3 million from €52.9 million at 31 December 2024. The increase in cash balances is primarily due to cash inflows during 2025, mainly related to higher sales with higher realised price. Cash balances are unrestricted and include balances at both the operational and corporate levels. The net increase in cash and cash equivalents for the year was €113.4 million, compared to a decrease of €68.1 million in 2024. This increase was driven by higher concentrate sold with better realised copper price and the use of credit facilities short term.

As of 31 December 2025, Atalaya reported a working capital surplus of €93.8 million, compared with a working capital surplus of €44.7 million at 31 December 2024. The increase in working capital surplus in 2025 was mainly driven by changes in current liabilities and cash balances. Cash increased significantly compared to the previous year, reflecting higher production and lower inventories in spite of higher investments in property, plant, and equipment, intangible assets as well as the repayment of borrowings and payment of dividends. At 31 December 2025, trade and other payables increased to €106.1 million, up from €90.1 million in 2024, while inventories also reduced to €30.9 million from €49.2 million in the prior year. Trade and other receivables increased to €41.1 million in 2025, compared to €36.9 million in 2024.

The Directors consider the current net cash position as well as the existing levels of the commodity prices and the current liquidity position to mitigate any potential financial risks linked to the liquidity position of the Company.

Overview of the Group's Cash Flows

(Euro 000's)	Three month ended 31 Dec 2025	Three month ended 31 Dec 2024	Twelve month ended 31 Dec 2025	Twelve month ended 31 Dec 2024
Cash flows from operating activities	72,477	11,101	192,483	53,403
Cash flows used in investing activities	(25,305)	(16,578)	(85,070)	(66,073)
Cash flows from financing activities	11,418	(19,168)	13,444	(57,261)
Net (decreased)/increase in cash and cash equivalents	58,590	(24,645)	120,857	(69,931)
Net foreign exchange differences	(6,094)	1,244	(7,429)	1,802
Total net cash flow for the period	52,496	(23,401)	113,428	(68,129)

In the twelve-month period ending 31 December 2025, cash and cash equivalents experienced an increase of €113.4 million. This increase resulted from cash generated by operating activities amounting to €192.5 million, offset by cash used in investing activities totalling €85.1 million and financing inflows amounting to €13.4 million, partially mitigated by a €7.4 million net negative foreign exchange impact.

Cash generated from operating activities before changes in working capital reached €188.0 million, compared with an EBITDA of €179.8 million. Atalaya increased its inventories by €17.3 million, while trade and other receivables decreased by €1.5 million, and trade and other payables increased by €11.9 million. The company incurred corporate tax payments totalling €21.0 million during this period.

Investing activities for the year 2025 amounted to €85.1 million, primarily directed towards capital expenditures related to ongoing projects, including plant improvements and infrastructure developments.

Financing activities in 2025 totalled positive €13.4 million, mainly driven by the repayment of borrowings amounting to €11.4 million, dividend payments of €10.1 million, share options expense of €2.5 million and lease payments of €0.6 million, partially offset by proceeds from the issuance of share capital totalling €nil million and new borrowings of €37.9 million.

5. Alternative Performance Measures

Atalaya has included certain non-IFRS measures including "EBITDA", "Cash Costs per pound of payable copper" "All-In Sustaining Cost" ("AISC") and "realised prices" in this report. Non-IFRS measures do not have any standardised meaning prescribed under IFRS, and therefore they may not be comparable to similar measures presented by other companies. These measures are intended to provide additional information and should not be considered in isolation or as a substitute for indicators prepared in accordance with IFRS.

EBITDA includes gross sales net of penalties and discounts and all operating costs, excluding finance, tax, impairment, depreciation and amortisation expenses.

Cash Costs per pound of payable copper includes on-site cash operating costs, and off-site costs including treatment and refining charges ("TC/RC"), freight and distribution costs net of by-product credits. Cash Costs per pound of payable copper is consistent with the widely accepted industry standard established by Wood Mackenzie and is also known as the cash costs.

AISC per pound of payable copper includes the Cash Costs plus royalties and agency fees, expenditure on rehabilitations, stripping costs, exploration and geology costs, corporate costs, and sustaining capital expenditures.

Realised prices per pound of payable copper is the value of the copper payable included in the concentrate produced including the discounts and other features governed by the offtake agreements of the Group and all discounts or premiums provided in commodity hedge agreements with financial institutions, expressed in USD per pound of payable copper. Realised price is consistent with the widely accepted industry standard definition.

6. Risk Factors

Due to the nature of Atalaya's business in the mining industry, the Group is subject to various risks that could materially impact the future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to Atalaya. Readers are encouraged to read and consider the risk factors detailed in Atalaya's audited consolidated financial statements for the year ended 31 December 2025.

7. Critical accounting policies, estimates, judgements, assumptions and accounting changes

The preparation of Atalaya's Financial Statements in accordance with IFRS requires management to make estimates and assumptions that affected amounts reported in the Financial Statements and accompanying notes. There is a full discussion and description of Atalaya's critical accounting estimates and judgements in the audited financial statements for the year ended 31 December 2025.

8. Other Information

Additional information about Atalaya Mining Copper, S.A. is available at www.atalayamining.com

Consolidated financial statements on subsequent pages

By Order of the Board of Directors

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2025

(Euro 000's)	Note	2025	2024
Revenue	5	482,915	326,797
Operating costs and mine site administrative expenses		(280,989)	(240,784)
Mine site depreciation, amortisation and impairment	13,14	(47,520)	(36,617)
Gross profit		154,406	49,396
Administration and other expenses		(10,472)	(7,927)
Share based benefits	23	(7,009)	(1,379)
Impairment loss on financial and contract assets	13,20	(21,418)	(1,204)
Exploration expenses		(8,426)	(7,950)
Care and maintenance expenditure		(291)	(2,784)
Other income		4,028	383
Operating profit	6	110,818	28,535
Net foreign exchange gain/(loss)	4	(6,263)	3,090
Interest income from financial assets at fair value through profit and loss	8	-	-
Interest income from financial assets at amortised cost	8	1,834	1,887
Finance costs	9	(4,126)	(1,989)
Profit before tax		102,263	31,523
Tax	10	(16,900)	1,037
Profit for the year		85,363	32,560
Profit for the year attributable to:			
- Owners of the parent	25	85,577	31,738
- Non-controlling interests	25	(214)	822
		85,363	32,560
Earnings per share from operations attributable to ordinary equity holders of the parent during the year:			
Basic earnings per share (EUR cents per share)	11	60.8	22.6
Diluted earnings per share (EUR cents per share)	11	58.3	21.8
Profit for the year		85,363	32,560
Other comprehensive income:		-	-
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):			
Change in fair value of financial assets through other comprehensive income 'OCI'	21	39	(7)
Total comprehensive income for the year		85,402	32,553
Total comprehensive income for the year attributable to:			
- Owners of the parent	25	85,616	31,731
- Non-controlling interests	25	(214)	822

The notes on subsequent pages are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2025

(Euro 000's)	Note	31 Dec 2025	31 Dec 2024
Assets			
Non-current assets			
Property, plant and equipment	13	447,729	409,032
Intangible assets	14	74,919	70,209
Loans	19	9,725	2,627
Trade and other receivables	20	1,122	33,252
Non-current financial asset	21	1,101	1,101
Deferred tax asset	17	15,840	15,085
		550,436	531,306
Current assets			
Inventories	18	30,871	49,162
Loans	19	20	5,352
Trade and other receivables	20	41,113	36,863
Tax refundable		2,834	266
Other financial assets	21	62	23
Cash and cash equivalents	22	166,306	52,878
		241,206	144,544
Total assets		791,642	675,850
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	23	12,668	12,668
Share premium	23	321,856	321,856
Other reserves	24	89,255	88,774
Accumulated profit		166,091	93,085
		589,870	516,383
Non-controlling interests	25	1,940	2,154
Total equity		591,810	518,537
Liabilities			
Non-current liabilities			
Trade and other payables	26	14,142	13,983
Provisions	27	28,764	29,328
Lease liability	28	3,834	3,320
Borrowings	29	5,708	10,866
		52,448	57,497
Current liabilities			
Trade and other payables	26	106,117	90,090
Lease liability	28	639	481
Current tax liabilities		136	1,408
Dividend payable		9	
Provisions	27	1,845	916
Borrowings	29	38,638	6,921
		147,384	99,816
Total liabilities		199,832	157,313
Total equity and liabilities		791,642	675,850

The notes on subsequent pages are an integral part of these consolidated financial statements.
The consolidated financial statements were authorised for issue by the Board of Directors on 18 March 2026 and were signed on its behalf.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

(Euro 000's)	Note	Share capital	Share premium	Other reserves ⁽¹⁾	Accum. Profits	Total	NCI	Total equity
1 Jan 2025		12,668	321,856	88,774	93,085	516,383	2,154	518,537
Profit for the period		-	-	-	85,577	85,577	(214)	85,363
Change in fair value of financial assets through other comprehensive income 'OCI'	21	-	-	39	-	39	-	39
Total comprehensive (loss)/income		-	-	39	85,577	85,616	(214)	85,402
Issuance of share capital	23	-	-	-	-	-	-	-
Recognition of depletion factor	24	-	-	-	-	-	-	-
Recognition of share-based payments	24	-	-	428	(2,588)	(2,160)	-	(2,160)
Recognition of non-distributable reserve	24	-	-	1	-	1	-	1
Recognition of distributable reserve	24	-	-	13	-	13	-	13
Other changes in equity		-	-	-	81	81	-	81
Transactions with external shareholders		-	-	-	-	-	-	-
Dividends paid	12	-	-	-	(10,064)	(10,064)	-	(10,064)
31 Dec 2025		12,668	321,856	89,255	166,091	589,870	1,940	591,810

(Euro 000's)	Note	Share capital	Share premium	Other reserves ⁽¹⁾	Accum. Profits	Total	NCI	Total equity
1 Jan 2024		13,596	319,411	70,463	98,026	501,496	(9,104)	492,392
Profit for the period		-	-	-	31,738	31,738	822	32,560
Change in fair value of financial assets through other comprehensive income 'OCI'	21	-	-	(7)	-	(7)	-	(7)
Total comprehensive (loss)/income		-	-	(7)	31,738	31,731	822	32,553
Issuance of share capital	23	76	2,445	-	-	2,521	-	2,521
Recognition of depletion factor	24	-	-	8,949	(8,949)	-	-	-
Recognition of non-distributable reserve	24	-	-	1,843	-	1,843	-	1,843
Recognition of distributable reserve	24	-	-	142	(142)	-	-	-
Recognition of share-based payments	24	-	-	7,385	(7,385)	-	-	-
Other changes in equity		(1,004)	-	(1)	542	(463)	-	(463)
Revaluation of non-controlling interest		-	-	-	(10,439)	(10,439)	10,436	(3)
Dividends paid	12	-	-	-	(10,306)	(10,306)	-	(10,306)
31 Dec 2024		12,668	321,856	88,774	93,085	516,383	2,154	518,537

⁽¹⁾ Refer to Note 23

The notes on subsequent pages are an integral part of these consolidated financial statements

Consolidated Statement of Cash Flows

for the year ended 31 December 2025

(Euro 000's)	Note	2025	2024
Cash flows from operating activities			
Profit before tax		102,263	31,523
Adjustments for:			
Depreciation of property, plant and equipment	13	42,718	39,658
Amortisation of intangible assets	14	4,802	3,907
Recognition of share-based payments	24	7,009	1,379
Interest income	8	(1,834)	(1,887)
Interest expense	9	604	1,161
Unwinding of discounting	9	796	828
Legal provisions	27	-	(1,255)
Loss on disposal of PP&E		39	
Impairment loss on financial and contract assets	6	2,726	1,205
Impairment loss on non-financial assets		21,418	-
Reversal of Intangible Asset Impairment	14	-	(6,948)
Other tax provision	27	1,197	-
Net foreign exchange differences		6,263	(3,090)
Unrealised foreign exchange (loss)/gain on financing activities		-	(85)
Cash inflows from operating activities before working capital changes		188,001	66,396
Changes in working capital:			
Inventories	18	17,342	(14,958)
Trade and other receivables	20	(1,500)	(1,247)
Trade and other payables	26	11,904	5,595
Provisions	27	(969)	(434)
Cash flows from operations		214,778	55,352
Interest expense on lease liabilities	28	(21)	(30)
Interest paid	9	(1,238)	(1,131)
Net tax (paid)/refund		(21,036)	(788)
Net cash from operating activities		192,483	53,403
Cash flows from investing activities			
Purchases of property, plant and equipment	13	(72,165)	(60,212)
Purchases of intangible assets	14	(9,483)	(1,198)
Payments for investments	19	(4,057)	(5,305)
Interest received	8	634	642
Net cash used in investing activities		(85,071)	(66,073)
Cash flows from financing activities			
Lease payment	28	(565)	(577)
Proceeds from borrowings	29(a)	37,916	3,000
Repayment of borrowings	29(a)	(11,357)	(51,900)
Proceeds from issue of share capital		-	2,522
Share option expense		(2,494)	-
Dividends paid	12	(10,055)	(10,306)
Net cash (used in)/from financing activities		13,445	(57,261)
Net increase in cash and cash equivalents		120,857	(69,931)
Net foreign exchange difference		(7,429)	1,802
Cash and cash equivalents:			
At beginning of the year	22	52,878	121,007
At end of the year	22	166,306	52,878

The notes on subsequent pages are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. Incorporation and summary of business

Atalaya Mining Plc was incorporated in Cyprus on 17 September 2004 as a private company with limited liability under the Companies Law, Cap. 113 and was converted to a public limited liability company on 26 January 2005. Its registered office was at 1 Lampousa Street, Nicosia, Cyprus.

The Company was first listed on the Alternative Investment Market (AIM) of the London Stock Exchange in May 2005.

Change of name and share consolidation (2015)

Following the Company's Extraordinary General Meeting ("EGM") on 13 October 2015, the change of name from EMED Mining Public Limited to Atalaya Mining Plc became effective on 21 October 2015. On the same day, the consolidation of ordinary shares came into effect, whereby all shareholders received one new ordinary share of nominal value Stg £0.075 for every 30 existing ordinary shares of nominal value Stg £0.0025. The Company's trading symbol became "ATYM".

On 29 April 2024, the Company was admitted to trading on the main market of the London Stock Exchange.

Cross-border conversion (re-domiciliation) (2024-2025)

On 10 January 2025, the Company successfully completed a cross-border conversion, resulting in its re-domiciliation from the Republic of Cyprus to the Kingdom of Spain. This process was carried out in accordance with the Company's strategic objectives to align its corporate structure with its operational base in Spain.

A cross-border conversion deed was executed on 23 December 2024 and subsequently filed with the Spanish Commercial Registry on 27 December 2024. Under Spanish corporate law, the re-domiciliation became legally effective from the date of registration with the Spanish Commercial Registry, i.e., 27 December 2024. However, for administrative and procedural purposes, the final formalities were completed on 9 January 2025, with the official public announcement being made on 10 January 2025. Following this change:

- Atalaya's corporate seat was transferred from Cyprus to Spain, and Atalaya became a Spanish public limited company (Sociedad Anónima) under the laws of the Kingdom of Spain;
- Atalaya's registered name changed from Atalaya Mining Plc to Atalaya Mining Copper, S.A.; and;
- Atalaya's registered address changed from 1, Lampousas Street, 1095 Nicosia, Cyprus to Paseo de las Delicias, 1, 3, 41001, Sevilla, Spain.

The Company's shares commenced trading under "Atalaya Mining Copper, S.A." on 10 January 2025 at 8:00 am (London time) and the nominal value of the Company's shares were also adjusted from 7.5p to €0.09 per share.

Principal activities

Atalaya is a European mining and development company. The strategy is to evaluate and prioritise metal production opportunities in several jurisdictions throughout the well-known belts of base and precious metal mineralisation in Spain, elsewhere in Europe and Latin America.

The Group has interests in four mining projects: Proyecto Riotinto, Proyecto Touro, Proyecto Masa Valverde and Proyecto Ossa Morena. In addition, the Group has an earn-in agreement to acquire certain investigation permits at Proyecto Riotinto East.

The Group also has earn-in agreements related two exploration projects in Sweden, the Skellefte Belt Project and the Rockliden Project, pursuant to agreements entered into in 2024 with Mineral Prospektering i Sverige AB.

Additional information about the Company is available at www.atalayamining.com.

Proyecto Riotinto

The Company owns and operates through a wholly owned subsidiary, "Proyecto Riotinto", an open-pit copper mine located in the Iberian Pyrite Belt, in the Andalusia region of Spain, approximately 65 km northwest of Seville. A brownfield expansion of this mine was completed in 2019 and successfully commissioned by Q1 2020.

Proyecto Touro

The Group initially acquired a 10% stake in Cobre San Rafael, S.L. ("CSR"), the owner of Proyecto Touro, as part of an earn-in agreement, which was designed to enable the Group to acquire up to 80% of the copper project. Proyecto Touro is located in Galicia, north-west Spain, and is currently in the permitting process.

In July 2017, the Group announced that it had executed the option to acquire 10% of the share capital of CSR, a wholly owned subsidiary of Explotaciones Gallegas S.L. This acquisition was part of an earn-in agreement, structured in four phases, allowing the Group to progressively increase its stake in CSR up to 80%:

- Phase 1 – The Group paid €0.5 million to secure the exclusivity agreement and committed to funding up to a maximum of €5.0 million to support the permitting and financing stages.
- Phase 2 – Upon receipt of permits, the Group is required to pay €2.0 million to acquire an additional 30% interest in the project (cumulative 40%).
- Phase 3 – Once development capital is secured and construction commences, the Group is required to pay €5.0 million to acquire an additional 30% interest in the project (cumulative 70%).
- Phase 4 – Upon declaration of commercial production, the Group purchases an additional 10% interest (cumulative 80%) in exchange for a 0.75% Net Smelter Return royalty, with a buyback option.

The Agreement was structured to ensure that each phase and corresponding payment would only occur once the project was de-risked, permitted, and operational.

On 24 June 2024, Atalaya announced that Proyecto Touro, via its local entity Cobre San Rafael, was declared a strategic industrial project by the Council of the Xunta de Galicia ("XdG"). Under legislation of the Autonomous Community of Galicia, the status of strategic industrial project (or in Spanish, Proyecto Industrial Estratégico ("PIE")) acts to simplify the administrative procedures associated with the development of industrial projects and intends to substantially reduce permitting timelines.

This declaration highlights the XdG's commitment to promoting new investment that will benefit the region and also support the objectives of the European Union. Copper is considered a strategic raw material by the EU, and this project has the potential to become a new source of sustainable European copper production.

The XdG is continuing its review according to the simplified procedures afforded to projects with PIE status. The public information period, which serves to inform the surrounding communities and organisations about the proposed project, concluded on 31 January 2025. Cobre San Rafael is currently focused on analysing and responding to the feedback submitted during the public information period and assessing the sectoral reports issued by the various departments of the XdG.

Following the declaration of Proyecto Touro as a strategic industrial project in June 2024 and subsequent progress in the permitting process, the Group reassessed the probability of completion of phases 2, 3 and 4 under the earn-in agreement. As a result of that reassessment, an intangible asset of €16.5 million was recognised in 2024 in accordance with the Group's policy on contingent payments (Note 2.31), together with the corresponding contingent liabilities (Note 26).

In accordance with the Group's policy on non-controlling interests (Note 2.3), 20% of this intangible asset was attributed to non-controlling interests.

During 2024, the Group also reversed an impairment previously recognised in 2019 in respect of Proyecto Touro (Note 14).

As at 31 December 2025, the permitting process continues under the simplified administrative framework granted by the strategic industrial project status. The Company has submitted the

required sectoral reports and is awaiting the remaining responses from the relevant authorities. The Company continues to engage constructively with the Xunta de Galicia in relation to the expected timeline for completion of the administrative procedures.

In parallel, engineering and preparatory activities have progressed during the year, supporting the potential future development of the project. Drilling programmes have continued as planned, and the Company remains engaged with local stakeholders and continues to operate its water treatment plant in the area.

Proyecto Masa Valverde

On 21 October 2020, the Company announced that it entered into a definitive purchase agreement to acquire 100% of the shares of Cambridge Minería España, S.L. (since renamed Atalaya Masa Valverde, S.L.U.), a Spanish company which fully owns the Masa Valverde polymetallic project located in Huelva (Spain). Under the terms of the agreement Atalaya will make an aggregate €1.4 million cash payment in two instalments of approximately the same amount. The first payment is to be executed once the project is permitted and second and final payment when first production is achieved from the concession.

In November 2023, the exploitation permit for the Masa Valverde and Majadales deposits was officially granted. Following this milestone, in January 2024, the Company made a payment of €0.7 million as part of the process associated with the granted permits.

During 2025, infill and extensional drilling continued at the Masa Valverde deposit, with two rigs active during the year and additional geotechnical drilling completed. Drilling has primarily focused on stockwork-style mineralisation, which is expected to be amenable for processing at the existing Riotinto facilities and supports the Company's initial focus on the Masa Valverde copper zones. Further infill drilling is planned for 2026.

Masa Valverde has been granted the two key permits required for development, the AAU and the exploitation permit. Development of the access ramp is subject to final Board approval.

Proyecto Ossa Morena

In December 2021, Atalaya announced the acquisition of a 51% interest in Rio Narcea Nickel, S.L., which owned 9 investigation permits. The acquisition also provided a 100% interest in three investigation permits that are also located along the Ossa-Morena Metallogenic Belt. In Q3 2022, Atalaya increased its ownership interest in POM to 99.9%, up from 51%, following completion of a capital increase that will fund exploration activities. During 2022 Atalaya rejected 8 investigation permits.

Under the terms of the agreement, Atalaya will pay a total of €2.5 million in cash in three instalments and grant a 1% net smelter return ("NSR") royalty over all acquired permits. The first payment of €0.5 million was made following execution of the purchase agreement. The second and third instalments of €1 million each will become payable upon receipt of the environmental impact statement ("EIS") and the final mining permits for any project within the acquired investigation permits. These outstanding instalments are disclosed as a non-current payable to the sellers (Note 26).

During 2025, exploration activities continued at the Alconchel-Pallares copper-gold project. A step-out drilling programme was underway during the year, and three drill holes were completed in the third quarter of 2025. Drilling is expected to commence at the Guijarro-Chaparral gold-copper project in the coming weeks.

Proyecto Riotinto East

In December 2020, Atalaya entered into a Memorandum of Understanding with a local private Spanish company to acquire a 100% beneficial interest in three investigation permits (known as Peñas Blancas, Cerro Negro and Herreros investigation permits), which cover approximately 12,368 hectares and are located immediately east of Proyecto Riotinto. After a short drilling campaign, the Los Herreros investigation permit was rejected in June 2022. Proyecto Riotinto East consists of the remaining two investigation permits, Peñas Blancas and Cerro Negro, totalling 10,016 hectares.

During 2025, exploration activities progressed across the East Belt extension. Gravimetric ground surveys were completed to better define future drill targets, and soil geochemistry works were finalised at selected areas. As a result of these programmes, several coincident gravity and

geochemical targets were outlined at Cerro Negro and Peñas Blancas. Drilling is expected to commence at the Cerro Negro and Peñas Blancas permits in the coming weeks.

Skellefte Belt Project and Rockliden Project

In November 2024, the Group entered into agreements with Mineral Prospektering i Sverige AB in relation to the Skellefte Belt Project and the Rockliden Project, both situated in well-established volcanogenic massive sulphide districts renowned for their mineral resource potential. In 2025, a total of €4.3 million (2024: €1.2 million) in funding was provided to MPS in relation to preparatory work for the planned winter drilling campaigns and to compensate for certain past expenditures incurred by MPS (Note 15). As these projects remain in the early exploration stage and are still far from obtaining operating mining permits, these impacts have been recorded directly in the comprehensive income statement for the financial year.

Overview of assets by mining projects

The following table presents the allocation of assets across the Company's mining operations, distinguishing between mining assets, which include exploration, development, and production-related investments, and non-mining assets, covering infrastructure, equipment, and other supporting assets.

Net book value (€'000)	Proyecto Touro	Proyecto Ossa Morena	Proyecto Masa Valverde	Proyecto Riotinto	Proyecto Riotinto East	Total
Mining assets	36,432	2,101	8,685	474,522*	450	522,190
Non-mining assets	-	-	-	458	-	458
	36,432	2,101	8,685	474,980	450	522,648

* €22.1m related to E-LIX Project, see note 13.

Composition of the Group

The name and shareholding of the entities included in the Group in these financial statements are:

Entity name	Business	% ⁽²⁾	Country
Atalaya Mining Copper, S.A. (former Atalaya Mining Plc)	Holding	n/a	Spain
EMED Marketing Ltd.	Trade	100%	Cyprus
Atalaya Riotinto Minera, S.L.U.	Operating	100%	Spain
Recursos Cuenca Minera, S.L. ⁽³⁾	Dormant	50%	Spain
Atalaya Minasderiotinto Project (UK), Ltd.	Holding	100%	United Kingdom
Eastern Mediterranean Exploration & Development, S.L.U.	Dormant	100%	Spain
Atalaya Touro (UK), Ltd.	Holding	100%	United Kingdom
Fundación ARM	Trust	100%	Spain
Cobre San Rafael, S.L. ⁽¹⁾	Development	10%	Spain
Atalaya Servicios Mineros, S.L.U.	Holding	100%	Spain
Atalaya Masa Valverde, S.L.U.	Development	100%	Spain
Atalaya Financing Ltd.	Financing	100%	Cyprus
Atalaya Ossa Morena, S.L.	Development	99.9%	Spain
Iberian Polimetal S.L.	Development	100%	Spain

Notes

⁽¹⁾ Cobre San Rafael, S.L. is the entity which holds the mining rights of the Proyecto Touro. The Group has control in the management of Cobre San Rafael, S.L., including one of the two Directors, management of the financial books.

⁽²⁾ The effective proportion of shares held as at 31 December 2025 and 31 December 2024 remained unchanged.

⁽³⁾ Recursos Cuenca Minera is a joint venture with ARM, see note 16.

2. Summary of material accounting policies

The principal accounting policies applied in the preparation of these consolidated and company financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(a) Overview

The consolidated financial statements of Atalaya Mining Copper, S.A. (the "Parent Company") and its subsidiaries (collectively, the "Group") have been formulated in accordance with the International Financial Reporting Standards adopted by the European Union ("EU-IFRS") and other applicable provisions of the financial reporting regulatory framework, in particular the Commercial Code and the Capital Companies Act, in order to show a true and fair view of the Group's consolidated equity and consolidated financial position as of December 31, 2025 and of the consolidated financial performance, its consolidated cash flows and changes in consolidated equity for the year ended on that date.

EU-IFRS comprises the standards issued by the International Accounting Standards Board ("IASB") approved by the EU for application by listed companies.

The definition of a Public-Interest Entity ("PIE") is set out in Article 2.13 of Directive 2006/43/EC, as amended by Article 1 of Directive 2014/56/EU, which states that the following are considered to be EIPs: (a) entities governed by the law of a Member State whose transferable securities are admitted to trading on a regulated market in any Member State; b) credit institutions, as defined in point (1) of Article 3(1) of Directive 2013/36/EU; (c) insurance undertakings within the meaning of Article 2 (1) of Directive 91/674/EEC; and (d) entities designated by Member States as public-interest entities. As the Parent Company does not fall into any of the above categories, it is not considered a PIE.

The Directors of the Parent Company estimate that the consolidated annual accounts for the financial year 2025, which have been prepared on 18 of March 2026, will be approved by the General Meeting of Shareholders without any modification.

The consolidated financial statements are presented in euros (€), rounding all amounts to the nearest thousand (€'000), unless otherwise indicated.

The preparation of the consolidated financial statements in accordance with EU-IFRS requires the application of relevant accounting estimates and the making of judgments, estimates and assumptions in the process of applying the Group's accounting policies. The aspects that have involved a greater degree of judgment, complexity or in which the assumptions and estimates are significant for the preparation of the consolidated financial statements are disclosed in Note 3.3.

Likewise, although the estimates made by the Directors of the Parent Company have been calculated based on the best information available as of December 31, 2025, it is possible that events that may take place in the future may require their modification in the coming years. The effect on the consolidated financial statements of the modifications that, if any, arise from the adjustments to be made during the coming years would be recognized prospectively.

(b) Going concern

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will continue to operate and meet its financial obligations in the normal course of business.

The Directors have assessed the Group's financial position, operational performance, and external market conditions for a period of at least 12 months from the date of approval of these financial statements. This assessment considered: Copper price volatility and foreign exchange fluctuations, given their direct impact on revenue and profitability; production levels and cost profile, ensuring the Group maintains operational efficiency and financial resilience; capital expenditure and ongoing development projects, aligning with the Group's strategic and operational needs; liquidity and borrowing facilities, confirming the Group's ability to meet financial obligations as they fall due; energy cost stability, supported by the commissioning of a solar power plant and a long-term PPA to

mitigate electricity price volatility, regulatory and geopolitical risks, ensuring compliance with evolving industry regulations and addressing potential global market disruptions; copper head grade variability, with sensitivity analyses conducted to evaluate the impact of potential fluctuations in ore quality.

Following a comprehensive review of forecasts, financial resources, and stress-tested downside scenarios, the Directors have concluded that there are no material uncertainties that could reasonably be expected to cast significant doubt on the Group's ability to continue operating as a going concern. Accordingly, the going concern basis of accounting remains appropriate for the preparation of these consolidated financial statements.

The Directors and Management will continue to monitor external factors, including market conditions and regulatory developments, to ensure the Group remains well-positioned to navigate potential challenges.

2.2 Changes in accounting policy and disclosures

The Group has adopted all the new and revised EU-IFRSs which are relevant to its operations and are effective for accounting periods commencing on or after 1 January 2025.

IAS 21 (Modification) – Absence of interchangeability

The IASB has amended IAS 21 to introduce guidance for determining whether a currency is exchangeable into another currency and, where it is not, how to determine the appropriate spot exchange rate to apply. The amendments require an entity to assess exchangeability at the measurement date and, if a currency is deemed not to be exchangeable, to estimate a spot exchange rate that reflects the rate at which an orderly exchange transaction would take place between market participants under prevailing economic conditions.

The adoption of these amendments has not had a material impact on the Group's financial statements or accounting policies, as the Group operates in jurisdictions where currencies are freely exchangeable and observable market exchange rates are available.

Standards issued but not yet in force and not yet implemented by the Group

The Group will apply the following amendments adopted by the European Union from 1 January 2026.

IFRS 9 (Amendment) and IFRS 7 (Amendment) – Classification and Measurement of Financial Instruments

The main modifications include:

- Clarification of the date of recognition and derecognition of specific financial assets and liabilities, with a new exception for certain liabilities settled through electronic cash transfer systems.
- Additional guidance on how to assess whether a financial asset meets the criterion of only principal and interest payments on the outstanding principal amount (UPPI).
- New disaggregation requirements for financial instruments with contractual terms that may alter cash flows, including ESG-linked financial instruments.
- Update of the reporting requirements for equity instruments measured at fair value through other comprehensive income (FVOCI).

While the amendments relating to the SPPI criterion are primarily relevant to financial institutions, the changes concerning recognition, ESG-linked financial instruments and enhanced disclosure requirements are applicable to all entities.

These amendments will enter into force from 1 January 2026 and will be allowed to be adopted early. The amendments may introduce additional disclosure requirements but are not expected to have a significant impact on the Group's recognition and valuation of financial instruments.

IFRS 9 (Amendment) and IFRS 7 (Amendment) – Contracts relating to nature-dependent electricity

These amendments address the accounting for electricity supply contracts that depend on natural conditions (for example, wind or solar energy), enabling entities to reflect such contracts more accurately in their financial statements. The key changes include:

- Clarification of the “own use” exemption for electricity contracts.
- The ability to apply hedge accounting to certain contracts when they are designated as hedging instruments.
- New disaggregation requirements to improve transparency regarding the financial impact of such contracts.

These amendments will apply from 1 January 2026. They may require additional disclosures, particularly if the Group enters into renewable energy supply contracts but are not expected to have a material impact on the Group’s recognition or measurement principles.

IFRS Annual Improvements – Volume 11

The IASB’s Annual Improvements process addresses minor amendments to IFRS Standards in order to eliminate inconsistencies and improve clarity. Volume 11 includes amendments to the following standards:

IFRS 1 – First-time Adoption of IFRS: improved references and drafting.

IFRS 7 – Financial Instruments: Disclosures: simplification of cash flow disclosure requirements.

IFRS 9 – Financial Instruments: elimination of an inconsistency between IFRS 9 and IFRS 15 relating to the initial measurement of trade receivables, and clarification of how a lessee accounts for the derecognition of a lease liability in accordance with paragraph 23 of IFRS 9.

IFRS 10 – Consolidated Financial Statements: improvements to structure and wording.

IAS 7 – Statement of Cash Flows: clarification that, under the indirect method, the starting point should be profit from operating activities rather than profit or loss for the year.

These amendments will become effective on 1 January 2026. Their impact is expected to be limited, as they primarily clarify existing guidance rather than introduce significant changes.

Standards, Interpretations, and Amendments to Existing Standards Not Yet Endorsed by the European Union or Not Available for Early Adoption

As at the date of preparation of these consolidated financial statements, the IASB and the IFRS Interpretations Committee have issued the following standards, amendments and interpretations that have not yet been adopted by the European Union and therefore cannot yet be applied by the Group. The Group has, however, assessed their potential impact on its consolidated financial statements once they become applicable.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 is a recently issued standard that replaces IAS 1 (Presentation of Financial Statements), while retaining many of its underlying principles. However, it introduces significant changes, including:

- A structured format for the income statement, requiring specific totals and subtotals and categorising items into five sections: operating, investing, financing, income taxes and discontinued operations.
- Disclosure requirements for management-defined performance measures presented in the financial statements.
- Enhanced aggregation and disaggregation principles applicable to both the primary financial statements and the notes.

Although IFRS 18 does not affect recognition or measurement principles, it may change the presentation of operating results.

This standard will become effective from 1 January 2027, subject to adoption by the European Union, and will apply to interim financial statements. Retrospective application is required and early adoption is permitted.

Management's preliminary assessment indicates that IFRS 18 will affect the presentation and disclosures in the Group's consolidated financial statements but will not impact the recognition or measurement principles applied by the Group.

IFRS 19 – Non-Publicly Accountable Subsidiaries: Disclosures

IFRS 19 is a new standard designed for subsidiaries without public accountability whose parent prepares consolidated financial statements in accordance with IFRS. It reduces disclosure requirements for such subsidiaries while maintaining IFRS recognition and measurement principles.

This voluntary standard applies to subsidiaries preparing consolidated or individual annual financial statements, provided that local regulations permit its use.

In the case of Spanish groups, its application primarily relates to foreign subsidiaries that apply IFRS in their individual financial statements. Subsidiaries that currently apply IFRS for SMEs or local GAAP in their statutory financial statements would not need to prepare a separate set of accounts for group reporting purposes if they adopt IFRS 19.

IFRS 19 will become effective from 1 January 2027. Early adoption is permitted, subject to approval by the European Union.

This standard is not expected to have a material impact on the Group's consolidated financial statements, as its applicability depends on the status of subsidiaries and local regulatory requirements.

IFRS 10 (Amendment) and IAS 28 (Amendment) – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

These amendments clarify the accounting treatment of sales and contributions of assets between an investor and its associate or joint venture, depending on whether the transferred non-cash assets constitute a "business" under IFRS 3. Where the assets qualify as a business, the investor recognises the full gain or loss on the transaction. Otherwise, only the portion of the gain or loss attributable to other investors is recognised.

These amendments were originally intended to apply prospectively from 1 January 2016. However, at the end of 2015, the IASB deferred their effective date indefinitely, pending a broader review of the accounting for associates and joint ventures. As the amendments remain deferred indefinitely and have not been adopted by the European Union, the Group has adopted the following accounting policy in accordance with IAS 8: the sale or contribution of assets to an associate or joint venture is accounted for by recognising only the portion of the gain or loss attributable to other investors.

2.3 Subsidiaries

Subsidiaries, including structured entities, are those entities over which the Parent Company, directly or indirectly through its subsidiaries, exercises control. The Parent Company controls a subsidiary when, through its involvement with the entity, it is exposed, or has rights, to variable returns and has the ability to affect those returns through the power it exercises over the entity. The Parent Company has power when it holds substantive rights that are currently exercisable and provide the ability to direct the relevant activities. The Parent Company is exposed, or has rights, to variable returns from its involvement with a subsidiary when the returns it obtains may vary as a result of the economic performance of the entity.

A structured entity is an entity designed in such a way that voting rights or similar rights are not the dominant factor in determining who controls the entity, for example where potential voting rights relate solely to administrative activities and those activities are governed by contractual arrangements.

Control is typically achieved through ownership of more than 50% of the voting rights, whether directly or indirectly. However, control may also be exercised over another entity even when holding less than half of the voting rights, as is the case of Cobre San Rafael, S.L., as explained in Note 3.3.

The Group reassesses whether it continues to control its subsidiaries whenever facts and circumstances indicate that one or more of the elements of control may have changed.

The income, expenses and cash flows of subsidiaries are included in the consolidated financial statements from the date of acquisition, being the date on which the Group effectively obtains control. Subsidiaries are excluded from consolidation from the date on which control is lost.

Transactions and balances between Group companies, together with any unrealised gains or losses, are eliminated in the consolidation process. However, unrealised losses are considered as an indicator of impairment of the assets transferred.

The accounting policies of subsidiaries have been aligned with those of the Group for transactions and other events of a similar nature occurring in similar circumstances.

The annual accounts or financial statements of subsidiaries used in the consolidation process are prepared as at the same reporting date and for the same reporting period as those of the Parent Company.

Where a reduction in the Group's interest in a subsidiary results in a loss of control, the Group recognises a gain or loss for the difference between the consideration received, plus the fair value of any retained investment in the entity, plus the carrying amount of non-controlling interests, and the carrying amount of the consolidated net assets. The cumulative amount recognised in other comprehensive income relating to the subsidiary is reclassified in full to profit or loss or to reserves, depending on its nature. The consolidated net assets include goodwill, to the extent that the entity disposed of constitutes a business. If the entity disposed of constitutes a business that formed part of a cash-generating unit or a group of cash-generating units to which goodwill had been allocated, such goodwill is allocated between the portion disposed of and the portion retained on the basis of their relative fair values and recoverable amounts, respectively.

Where the Group's ownership interest in a subsidiary changes but control is retained, the transaction is accounted for as an equity transaction. Accordingly, no new acquisition cost arises on increases in ownership and no gain or loss is recognised on reductions. Instead, the difference between the consideration paid or received and the carrying amount of non-controlling interests is recognised directly in reserves attributable to the shareholders of the Parent Company, without prejudice to the reclassification of consolidation reserves and the reallocation of other comprehensive income between the Group and non-controlling interests. Upon a reduction in the Group's interest in a subsidiary, non-controlling interests are recognised at their proportionate share of the consolidated net assets, including goodwill.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the transferred assets, liabilities incurred by the former owners of the acquiree, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the acquisition date. The Group recognised any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position.

If there are contractual arrangements that determine the attribution of earnings, such as a profit-sharing agreement or the attribution specified by the arrangement the non-controlling interest will be presented accordingly. Otherwise, the relative ownership interests in the entity should be used if the parent's ownership and the non-controlling interest's ownership in the assets and liabilities are proportional.

When contractual profit-sharing arrangement changes over time, the earnings allocation to the non-controlling interest should be based on its present entitlement.

(a) Acquisition-related costs are expensed as incurred

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Gains and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee (generally accompanying a shareholding of between 20% and 50% of the voting rights) but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investments in associates or joint ventures are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates or joint ventures includes goodwill identified on acquisition.

If the ownership interest in an associate or joint venture is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income, with a corresponding adjustment to the carrying amount of the investment. When the Group share of losses in an associate or a joint venture equals or exceeds its interest in the associate or joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or the joint venture.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or the joint venture and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates' or joint ventures' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its

associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associates or the joint ventures. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates or joint ventures are recognised in the income statement.

(e) Functional currency

Functional and presentation currency items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro which is the Company's functional and presentation currency.

Determination of functional currency may involve certain judgements to determine the primary economic environment and the parent entity reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Foreign currency transactions are translated into the functional currency using the spot exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies are updated at year-end spot exchange rates.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Gains or losses of monetary and non-monetary items are recognised in the income statement.

Balance sheet items are translated at period-end exchange rates. Exchange differences on translation of the net assets of such entities whose functional currency are not the Euro are taken to equity and recorded in a separate currency translation reserve.

(f) Care and Maintenance Expenditure

Care and maintenance expenditure includes costs incurred to maintain assets and infrastructure in an operationally ready state during periods of reduced or suspended activity. These costs may relate to preparatory works for potential projects, ongoing maintenance of assets not currently in active production, or regulatory compliance obligations.

Under IFRS, these expenditures are classified below gross profit in the statement of comprehensive income because they are not directly attributable to revenue-generating operations. Instead, they represent period costs incurred while assets are not in active use, and therefore, are recognised as an operating expense rather than part of cost of sales.

2.4 Business combinations

The Group applies the acquisition method to account for business combinations.

The acquisition date is the date on which the Group obtains control of the acquired business.

The consideration transferred in a business combination is determined at the acquisition date as the aggregate of the fair values of the assets transferred, the liabilities incurred or assumed, the equity instruments issued and any contingent consideration dependent on future events or the fulfilment of certain conditions in exchange for control of the acquired business.

The consideration transferred excludes any payment that does not form part of the exchange for the acquired business. Acquisition related costs are recognised as an expense as incurred.

At the acquisition date, the Group recognises the assets acquired and liabilities assumed at their fair

value. The non controlling interest in the acquired business is recognised at the amount corresponding to its proportionate share of the fair value of the net assets acquired. This criterion is only applicable to non controlling interests that provide a present ownership interest entitling their holders to a proportionate share of the entity's net assets in the event of liquidation. Otherwise, non controlling interests are measured at fair value or at the value based on market conditions. The liabilities assumed include contingent liabilities to the extent that they represent present obligations arising from past events and their fair value can be measured reliably. In addition, the Group recognises indemnification assets granted by the seller at the same time and using the same measurement criteria as the indemnified item of the acquired business, taking into account, where applicable, the risk of insolvency and any contractual limitations on the indemnified amount.

This criterion does not apply to non current assets or disposal groups classified as held for sale, defined benefit long term employee benefit liabilities, share based payment transactions, deferred tax assets and liabilities, and intangible assets arising from the reacquisition of previously granted rights.

The assets and liabilities assumed are classified and designated for subsequent measurement on the basis of the contractual arrangements, economic conditions, accounting policies and operating policies and other conditions existing at the acquisition date, except for lease contracts in which the acquired business is the lessor and insurance contracts.

Any excess of the consideration transferred, plus the amount recognised for non controlling interests, over the net amount of the assets acquired and liabilities assumed is recognised as goodwill. Where applicable, any shortfall, after reassessing the amount of the consideration transferred, the amount recognised for non controlling interests and the identification and measurement of the net assets acquired, is recognised in a separate line item in the consolidated income statement.

Contingent consideration is classified in accordance with the underlying contractual terms as a financial asset or liability, an equity instrument or a provision. To the extent that subsequent changes in the fair value of a financial asset or liability do not correspond to a measurement period adjustment, they are recognised in profit or loss. Contingent consideration classified as equity is not subsequently remeasured, and its settlement is recognised in equity. Contingent consideration classified as a provision is subsequently recognised at fair value with changes recognised in profit or loss.

2.5 Non-controlling interests

Non controlling interests in subsidiaries are recognised at the acquisition date at their proportionate share of the fair value of the identifiable net assets.

Non controlling interests are presented in consolidated equity separately from the equity attributable to the shareholders of the Parent. Non controlling interests in the consolidated results for the year are likewise presented separately in the consolidated income statement.

The Group's interest and the non controlling interests in the consolidated results for the year and in the changes in equity of subsidiaries, after taking into account consolidation adjustments and eliminations, are determined on the basis of ownership interests at the reporting date, without considering the possible exercise or conversion of potential voting rights and after deducting the effect of dividends, whether agreed or not, on cumulative preference shares classified in equity. However, the Group's interest and the non controlling interests are determined taking into account the possible exercise of potential voting rights and other derivative financial instruments that, in substance, currently provide access to the returns associated with ownership interests in subsidiaries.

Profit or loss and each component of other comprehensive income are attributed to the equity attributable to the shareholders of the Parent and to non controlling interests in proportion to their ownership interests, even if this results in a deficit balance in non controlling interests. Agreements entered into between the Group and non controlling interests are recognised as a separate transaction.

The Group recognises put options over interests in subsidiaries granted to non controlling interests at the acquisition date of a business combination as an anticipated acquisition of those interests, recognising a financial liability at the present value of the best estimate of the amount payable, which

forms part of the consideration transferred. Put options over interests in subsidiaries granted to non controlling interests subsequent to the business combination are recognised as a financial liability at the present value of the best estimate of the amount payable, with a corresponding entry in reserves.

In subsequent periods, changes in the financial liability are recognised as a finance expense or finance income in profit or loss. Any discretionary dividends paid to non controlling interests up to the exercise date of the options are recognised as a distribution of profits. If the options are ultimately not exercised, the transaction is recognised as a sale of interests to non controlling shareholders.

2.6 Associates and joint ventures

An associate is an entity over which the Parent, directly or indirectly through subsidiaries, exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee (generally accompanied by an ownership interest of between 20% and 50% of the voting rights), without constituting control or joint control. In assessing whether significant influence exists, potential voting rights that are exercisable or convertible at the reporting date of each year are considered, including potential voting rights held by the Group or by another entity.

Joint arrangements are those in which there is a contractual agreement to share control over an economic activity, such that decisions about the relevant activities require the unanimous consent of the Group and the other parties or operators. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Investments in associates and joint ventures are accounted for using the equity method from the date on which significant influence or joint control is obtained, respectively, until the date on which the Parent can no longer justify their existence.

Investments in associates and joint ventures are initially recognised at cost, including any directly attributable acquisition costs and any contingent consideration asset or liability dependent on future events or the fulfilment of certain conditions.

Any excess of the cost of the investment over the Group's share of the fair values of the identifiable net assets is recognised as goodwill, which is included in the carrying amount of the investment. Any shortfall, after reassessing the cost of the investment and the identification and measurement of the net assets of the associate or joint venture, is recognised as income in determining the investor's share of the profit or loss of the associate or joint venture in the year of acquisition.

The accounting policies of associates and joint ventures have been aligned in terms of reporting date and measurement on the same basis as that applied to subsidiaries.

The Group's share of the profits or losses of associates and joint ventures arising from the acquisition date is recognised as an increase or decrease in the carrying amount of the investments, with a corresponding entry in the line item Share of profit or loss of associates accounted for using the equity method in the consolidated income statement. Similarly, the Group's share of other comprehensive income of associates and joint ventures arising from the acquisition date is recognised as an increase or decrease in the carrying amount of the investments, with the corresponding entry recognised by nature in other comprehensive income. Dividend distributions are recognised as a reduction in the carrying amount of the investments. In determining the Group's share of profits or losses, including impairment losses recognised by associates or joint ventures, income and expenses arising from the acquisition method are taken into account.

The Group's share of the profits or losses of associates and joint ventures and of changes in equity is determined on the basis of ownership interests at the reporting date, without considering the possible exercise or conversion of potential voting rights. However, the Group's share is determined taking into account the possible exercise of potential voting rights and other derivative financial instruments that, in substance, currently provide access to the returns associated with ownership interests in associates or joint ventures.

Losses of associates and joint ventures attributable to the Group are limited to the amount of the net investment, except where the Group has incurred legal or constructive obligations or has made payments on behalf of the associates or joint ventures. For the purposes of recognising impairment losses in associates and joint ventures, the net investment is determined as the carrying amount

resulting from the application of the equity method together with any other item that, in substance, forms part of the investment in the associates or joint ventures. Any excess of losses over the investment in equity instruments is allocated to the remaining components in reverse order of their priority in liquidation. Profits subsequently generated by those associates or joint ventures for which recognition of losses had been limited to the amount of the investment are recognised to the extent that they exceed previously unrecognised losses. The Group applies the measurement criteria for financial instruments to the other components that form part of the net investment and to which the equity method is not applied, prior to recognising the losses referred to above. In applying those criteria, the Group does not take into account the recognition of losses arising from the equity method in the carrying amount of those items. As a result, the measurement of those items at fair value and, where applicable, impairment, affects the recognition of losses arising from the equity method in prior periods and in the current year.

Unrealised gains and losses arising from transactions between the Group and associates or joint ventures are recognised only to the extent of the interests of other unrelated investors. This criterion does not apply to the recognition of unrealised losses that provide evidence of impairment of the asset transferred. However, gains and losses arising from transactions between the Group and associates or joint ventures involving net assets that constitute a business are recognised in full.

Unrealised gains and losses on non monetary contributions of assets that do not constitute a business by the Group to associates or joint ventures are recognised in accordance with the substance of the transaction. In this respect, where the assets transferred are retained in the associate or joint venture and the transaction has commercial substance, only the proportionate share of gains or losses attributable to the other parties is recognised. Otherwise, no gain or loss is recognised on the transaction. Deferred gains or losses are recognised against the carrying amount of the investment. Unrealised losses are not eliminated to the extent that they provide evidence of impairment of the asset transferred. Where, in addition to the interest received, the Group receives monetary or non monetary assets, the result of the transaction relating to the latter is recognised.

In non monetary contributions of businesses by the Group to associates, gains and losses are recognised in full.

On the reduction of an interest in an associate or joint venture resulting in the loss of significant influence or joint control, respectively, the Group recognises a gain or loss equal to the difference between the consideration received, plus the fair value of any retained investment, and the carrying amount of the interest. The other comprehensive income relating to the associate or joint venture is reclassified in full to profit or loss or reserves as if the associate or joint venture had directly disposed of the related assets or liabilities.

On the reduction of an interest in an associate that does not result in the loss of significant influence, or where the Group loses joint control of a joint venture but retains significant influence, the Group recognises a gain or loss equal to the difference between the consideration received and the proportionate share of the carrying amount of the interest disposed of. The other comprehensive income relating to the proportionate share of the associate disposed of is reclassified to profit or loss or reserves as if the associate had directly disposed of the related assets or liabilities. If the transaction results in a loss, the Group assesses the retained investment for impairment.

On the additional acquisition of interests in an associate, including obtaining joint control, the Group applies the criteria established for the initial acquisition of investments in associates at the date significant influence is obtained, to the proportionate share of the investment acquired.

After application of the equity method, the Group assesses whether there is objective evidence of impairment of the net investment in the associate or joint venture.

Impairment is determined by comparing the carrying amount of the net investment in the associate or joint venture with its recoverable amount, being the higher of value in use and fair value less costs of disposal. In this regard, value in use is determined by reference to the Group's share of the present value of the estimated cash flows from ordinary activities and the amounts that may arise from the ultimate disposal of the associate or joint venture.

The recoverable amount of the investment in an associate or joint venture is assessed for each associate or joint venture individually, unless it does not constitute a cash generating unit.

Impairment losses are not allocated to goodwill or to other assets implicit in the investment in associates or joint ventures arising from the application of the acquisition method. In subsequent periods, reversals of impairment of investments are recognised in profit or loss to the extent that there is an increase in the recoverable amount. Impairment losses are presented separately from the Group's share of the results of associates and joint ventures.

2.7 Joint ventures

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

In joint operations, the Group recognises in the consolidated financial statements its assets, including its share of jointly controlled assets; its liabilities, including its share of liabilities incurred jointly with the other operators; the revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output arising from the joint operation; and its expenses, including its share of any jointly incurred expenses.

The acquisition by the Group of an initial and subsequent interest in a joint operation that constitutes a business is recognised by applying the criteria developed for business combinations to the extent of the percentage interest held in the individual assets and liabilities. However, on the subsequent acquisition of an additional interest in a joint operation, the previously held interest in the individual assets and liabilities is not remeasured, provided that the Group retains joint control.

In transactions involving the sale or contribution of assets by the Group to joint operations, gains or losses are recognised only to the extent of the interests of the other operators, unless the losses provide evidence of a loss or impairment of the assets transferred, in which case they are recognised in full.

In transactions involving purchases by the Group from joint operations, gains or losses are recognised only when the acquired assets are sold to third parties, unless the losses provide evidence of a loss or impairment of the assets acquired, in which case the Group recognises in full its proportionate share of the losses.

2.8 Foreign currency transactions and balances

The consolidated financial statements are presented in thousands of euros, rounded to the nearest thousand, which is the functional and presentation currency of the Parent.

Foreign currency transactions are translated into the functional currency using the spot exchange rates between the functional currency and the foreign currency at the dates of the transactions. The spot exchange rate is the rate used in transactions with immediate delivery.

Monetary assets and liabilities denominated in foreign currency are translated into euros at the closing rate at the reporting date, whereas non monetary items measured at historical cost are translated using the exchange rates at the date of the transaction. For these purposes, advances to suppliers and from customers are treated as non monetary items and are therefore translated at the exchange rate prevailing on the date of payment or receipt. The subsequent recognition of inventories received or revenue from sales, in respect of the advance, is measured at the original exchange rate and not at the rate prevailing at the transaction date. Finally, non monetary assets measured at fair value are translated into euros using the exchange rate at the date on which the fair value was determined.

In presenting the consolidated statement of cash flows, cash flows arising from foreign currency transactions are translated into euros using the exchange rates at the dates on which the cash flows occurred. The effect of exchange rate changes on cash and cash equivalents denominated in foreign currency is presented separately in the statement of cash flows as "Effect of exchange rate differences on cash".

Exchange differences arising on the settlement of foreign currency transactions and on the translation into euros of monetary assets and liabilities denominated in foreign currency are recognised in profit or loss. However, exchange differences arising on monetary items that form part of the net investment in foreign operations are recognised as translation differences in other comprehensive income.

Exchange gains or losses relating to monetary financial assets or liabilities denominated in foreign currency are also recognised in profit or loss.

Monetary financial assets denominated in foreign currency classified at fair value through other comprehensive income are considered to be measured at amortised cost in the foreign currency and, accordingly, exchange differences arising from changes in amortised cost are recognised in profit or loss, with the remaining change in fair value recognised in accordance with section 2.13 (financial instruments).

The Group presents the effect of translating deferred tax assets and liabilities denominated in foreign currency together with deferred income tax in profit or loss.

Exchange gains or losses on non monetary financial assets and liabilities and on monetary financial assets and liabilities measured at fair value through profit or loss are recognised together with the change in fair value in other comprehensive income or in profit or loss. The remaining change in fair value is recognised in accordance with section 2.13 (financial instruments). However, the exchange component of equity instruments denominated in foreign currency and measured at fair value through other comprehensive income that are designated as hedged items in fair value hedges of that component is recognised in other comprehensive income.

The translation into euros of foreign operations whose functional currency is not that of a hyperinflationary economy is performed using the following criteria:

- Assets and liabilities, including goodwill and adjustments to net assets arising on acquisition of the operations, including comparative balances, are translated at the closing rate at the date of each balance sheet.
- Income and expenses, including comparative balances, are translated at the exchange rates prevailing on the date of each transaction.
- The resulting exchange differences arising from the application of the above criteria are recognised as translation differences in other comprehensive income.

The same criteria apply to the translation of the financial statements of entities accounted for using the equity method, with the translation differences corresponding to the Group's interest recognised in other comprehensive income.

In presenting the consolidated statement of cash flows, the cash flows, including comparative balances, of foreign subsidiaries and joint ventures are translated into euros using the exchange rates prevailing at the dates on which the cash flows occurred.

Translation differences recognised in other comprehensive income are reclassified to profit or loss, as an adjustment to the gain or loss on disposal, in accordance with the criteria set out in the sections on subsidiaries and associates.

2.9 Property, plant and equipment

Property, plant and equipment is recognised at historical cost less accumulated depreciation and, where applicable, accumulated impairment losses.

When property, plant and equipment is acquired through a non-monetary exchange, the asset is measured at fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up can be measured reliably.

An exchange transaction is considered to have commercial substance when the configuration of the cash flows of the asset received differs from that of the asset transferred, or when the entity-specific value of the portion of the Group's operations affected by the transaction changes as a result of the exchange, and such difference is significant relative to the fair value of the assets exchanged.

If the exchange lacks commercial substance or fair value cannot be measured reliably, the asset received is measured at the carrying amount of the asset given up, adjusted for any monetary consideration transferred, and subject to a ceiling equal to the fair value of the asset received, where available.

The cost of property, plant and equipment constructed by the Group is determined using the same principles as for acquired assets, and additionally incorporates the criteria applied in determining the cost of inventories. Revenue from the sale of items produced during the commissioning period of property, plant and equipment and the related costs are recognised in the consolidated income statement.

The cost of property, plant and equipment includes an estimate of dismantling and removal costs and site restoration costs, where these constitute obligations incurred as a consequence of their use and for purposes other than the production of inventories.

Spare parts intended to be installed in facilities, equipment and machinery as replacements for similar items are measured in accordance with the principles described above. Spare parts with a storage cycle of less than one year are recorded as inventories. Spare parts with a storage cycle exceeding one year and which relate exclusively to specific assets are recognised and depreciated together with those assets. In other cases, they are recognised as "Other property, plant and equipment" and depreciated, where identifiable, in line with the depreciation pattern of the asset being replaced. In general, such spare parts are depreciated from the date they are incorporated into the asset, taking into account the weighted technological or economic useful life of the assets to which they may be attached and their own technical obsolescence.

Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of replaced components is derecognised. Where the cost of replaced elements has not been depreciated separately and it is impracticable to determine their carrying amount, the replacement cost is used as an indication of the cost of those elements at the time of acquisition or construction. All other repairs and maintenance are charged to the consolidated income statement in the period in which they are incurred.

Depreciation of property, plant and equipment is calculated by allocating the depreciable amount of the asset systematically over its estimated useful life or the remaining life of mine ("LOM"), field or lease. The depreciable amount represents the acquisition cost less residual value. The Group determines depreciation expense separately for each component, whether physical or non-physical, including costs related to major overhauls of property, plant and equipment that are significant in relation to the total cost of the asset and have a useful life different from the remainder of the asset. Depreciation commences when the asset is available for use.

The principal categories of property, plant and equipment are depreciated either on a units of production ("UOP") basis or on a straight-line basis over their useful lives as follows:

Land and buildings	UOP
Deferred mining costs	UOP
Plant and equipment	UOP
Other assets: Furniture/fixtures/office equipment/Motor vehicles	5 – 10 years
Right of use assets (IFRS 16)	UOP

The Group reviews the residual value, useful life and depreciation method of property, plant and equipment at each reporting date. Changes to the originally established criteria are recognised as changes in accounting estimates.

In particular, the Group considers the impact of health, safety and environmental legislation in assessing expected useful lives and estimated residual values. The Group also considers climate-related matters, including physical and transition risks. Specifically, the Group assesses whether climate-related legislation and regulation could affect useful lives or residual values, for example by prohibiting or restricting the use of fossil fuel-powered machinery or imposing additional energy efficiency requirements on buildings and offices.

The Group assesses impairment losses and reversals of impairment losses of property, plant and equipment in accordance with the criteria set out in Note 2.12 Impairment of non-financial assets.

Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The disposal date is the date on which the buyer obtains control

of the asset in accordance with the accounting policy for Revenue from contracts with customers. The consideration received and any subsequent changes thereto are determined in accordance with that revenue policy. Gains and losses on disposal are recognised within "Other income" in the consolidated income statement.

a) Mining rights

Ore Reserves and Mineral Resources that can be reliably measured are recognised at fair value at the acquisition date of the business in accordance with Note 2.4 Business combinations. Mining rights whose fair value cannot be measured reliably are not recognised.

Exploitable mining rights are depreciated using the UOP method over commercially recoverable Ore Reserves and, in certain circumstances, over additional Mineral Resources. Mineral Resources are included in depreciation calculations when there is a high degree of confidence that they will be economically extracted.

b) Deferred mining costs: stripping costs

These primarily comprise certain capitalised costs relating to stripping activities in both the pre-production and production phases, as described below.

Stripping costs incurred during the development phase of a mine (or pit) prior to the commencement of production are capitalised as part of the cost of constructing the mine (or pit) and subsequently depreciated over the life of mine on a UOP basis.

Production stripping costs that relate to improving access to an identifiable component of the ore body, and that provide future economic benefits through improved access to ore to be mined in future periods (stripping activity asset), are capitalised within deferred mining costs provided that all of the following conditions are met:

- i. it is probable that the future economic benefit associated with the stripping activity will be realised;
- ii. the component of the ore body for which access has been improved can be identified; and
- iii. the costs relating to the stripping activity associated with improved access can be measured reliably.

If all criteria are not met, production stripping costs are expensed as incurred.

The stripping activity asset is initially measured at cost, being the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified ore component, together with an allocation of directly attributable overheads in accordance with the principles used to determine the cost of inventories.

c) Exploration expenditure

In accordance with the Group's accounting policy, exploration expenditure is not capitalised until management determines that the project has entered the development phase and that construction of the related mining or infrastructure asset will commence. This does not refer to real estate property, but to the development of a mining asset or associated infrastructure in accordance with IAS 16 and IFRS 6. Capitalisation only occurs once a high degree of confidence exists in the technical and economic viability of the project and it is considered probable that future economic benefits will flow to the Group.

The development decision is taken based on the economic prospects of the project, including future metal prices, Ore Reserves and Mineral Resources, and estimated operating and capital costs.

Subsequent recovery of the resulting carrying amount depends on the successful development or sale of the undeveloped project. If a project is determined to be non-viable, all irrecoverable costs associated with the project, net of any related impairment provisions, are recognised in the consolidated income statement.

d) Assets under construction

All subsequent expenditure incurred in the construction, installation or completion of infrastructure facilities, including processing plants and other works necessary for mining operations, is capitalised under "Assets under construction". Costs incurred in testing assets to determine whether they are

functioning as intended are capitalised.

In accordance with IAS 16, revenue from the sale of any products produced during the testing phase is recognised as revenue in the consolidated income statement, and the related production costs are recognised in accordance with IAS 2 Inventories. Such revenue is not offset against the cost of assets under construction.

Development expenditure, including investment in intangible assets, is capitalised when the following criteria are met:

The costs are directly attributable to the preparation of the asset; and

The technical and commercial feasibility of the project has been demonstrated, and it is probable that the expenditure will generate future economic benefits, based on an economic evaluation of the project that considers market conditions, resource estimates, expected operating and capital costs and management's strategic intent.

Costs incurred before technical and commercial feasibility has been demonstrated, or those relating to general research activities, are expensed as incurred.

Assets under construction are transferred to the appropriate asset categories when they are substantially completed and ready for their intended productive use. Depreciation commences at that date.

e) Borrowing costs

The Group capitalises borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets as part of the cost of those assets. Qualifying assets are those that necessarily take a substantial period of time to get ready for their intended use or sale.

To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined based on the actual borrowing costs incurred during the period, less any investment income earned on the temporary investment of those funds. Borrowings obtained specifically for a qualifying asset are treated as general borrowings once substantially all the activities necessary to prepare the asset for its intended use or sale have been completed.

The amount of borrowing costs capitalised in respect of general borrowings is determined by applying a weighted average capitalisation rate to the expenditure on qualifying assets, without exceeding the total borrowing costs incurred during the period.

Capitalisation of borrowing costs commences when expenditure for the asset is incurred, borrowing costs are incurred and activities necessary to prepare the asset (or part thereof) for its intended use or sale are in progress. Capitalisation ceases when substantially all the activities necessary to prepare the asset (or part thereof) for its intended use or sale have been completed.

Capitalisation of borrowing costs is suspended during extended periods in which development activities are interrupted, unless such temporary delay is necessary to bring the asset into a condition suitable for its intended use or sale.

2.10 Leases

The Group has lease contracts for various items of laboratory equipment, motor vehicles, land and buildings used in its operations. Leases of laboratory equipment and motor vehicles generally have lease terms of four years, while land and buildings generally have lease terms over the life of the mine. The Group's obligations under its lease contracts are secured by the lessor's title to the leased assets. In general, the Group is restricted from assigning and subleasing the leased assets.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. That is, whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low value assets.

At the commencement date, the Group recognises a right of use asset and a lease liability. The right of use asset comprises the amount of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs incurred and an estimate of dismantling or restoration costs to be incurred, as set out in the accounting policy on provisions.

The Group measures the lease liability at the present value of the lease payments that are unpaid at the commencement date. The lease payments are discounted using the appropriate incremental borrowing rate, unless the interest rate implicit in the lease can be reliably determined.

Outstanding lease payments comprise fixed payments, less any incentives receivable, variable payments that depend on an index or rate, initially measured using the index or rate at the commencement date, amounts expected to be payable under residual value guarantees, the exercise price of a purchase option if exercise is reasonably certain and payments of penalties for terminating the lease, if the lease term reflects the exercise of the termination option.

The Group measures right of use assets at cost, less accumulated depreciation and accumulated impairment losses, adjusted for any remeasurement of the lease liability.

- If the contract transfers ownership of the asset to the Group at the end of the lease term or the right of use asset includes the exercise price of a purchase option, depreciation is charged in accordance with the criteria set out for property, plant and equipment from the commencement date to the end of the useful life of the asset. Otherwise, the Group depreciates the right of use asset from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term.
- The Group applies the impairment criteria for non current assets set out in section 2.12 to right of use assets.
- The lease liability is increased by the finance cost accrued, reduced by lease payments made and remeasured to reflect any lease modifications or revisions to in substance fixed payments.
- Variable lease payments not included in the initial measurement of the lease liability are recognised in profit or loss in the period in which the events or conditions that trigger those payments occur.
- Remeasurements of the lease liability are recognised as an adjustment to the right of use asset, until it is reduced to zero and thereafter in profit or loss.
- The Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate if there is a change in the lease term or a change in the assessment of whether a purchase option will be exercised.
- The Group remeasures the lease liability if there is a change in the amounts expected to be payable under a residual value guarantee or a change in the index or rate used to determine lease payments, including a change to reflect revisions to market rents once such revisions take effect.

The Group accounts for the full or partial derecognition of a lease liability in accordance with the criteria applicable to the derecognition of financial liabilities.

A reassessment after the commencement date is made only if one of the following conditions applies:

- a) There is a change in the contractual terms, other than a renewal or extension of the agreement.
- b) A renewal option is exercised, or an extension is granted, unless the term of the renewal or extension was initially included in the lease term.
- c) There is a change in the assessment of whether fulfilment depends on a specified asset.
- d) There is a substantial change in the asset.

The Group accounts for a lease modification as a separate lease if the scope of the lease increases by adding one or more rights of use and the consideration for the lease increases by an amount commensurate with the stand alone price for the increase in scope and any appropriate adjustments to that stand alone price to reflect the particular circumstances of the contract.

If the modification does not result in a separate lease, at the effective date of the modification the Group allocates the consideration to the modified contract as described above, redetermines the lease term and remeasures the lease liability by discounting the revised lease payments using a revised discount rate. The Group decreases the carrying amount of the right of use asset to reflect the partial or full termination of the lease in modifications that decrease the scope of the lease and recognises any gain or loss in profit or loss. For all other modifications, the Group makes a corresponding adjustment to the carrying amount of the right of use asset.

Short term leases and leases of low value assets

The Group applies the short term lease recognition exemption to its short term leases of machinery and equipment, that is, leases with a lease term of 12 months or less from the commencement date and that do not contain a purchase option. It also applies the low value asset recognition exemption to leases of office equipment that are considered to be of low value, that is, below €5,000. Lease payments on short term leases and leases of low value assets are recognised as an expense on a straight line basis over the lease term.

2.11 Intangible assets

a) Permits

Permits represent legal rights, licences and authorisations required to advance mining projects from the pre-development stage to production. Costs directly attributable to obtaining these permits are capitalised as intangible assets, provided that they meet the recognition criteria set out in IAS 38 – Intangible Assets. These costs generally include application fees, environmental and engineering studies, legal fees and other necessary expenditure incurred to obtain the permits.

No amortisation is recognised in respect of these intangible assets until the associated project enters the commercial production phase. Once the required permits have been obtained and production commences, the capitalised permit costs are amortised using the units of production (“UOP”) method, based on the commercially recoverable Ore Reserves of the related mining project.

If at any time it is determined that a permit will not be utilised due to project suspension or regulatory changes, the capitalised costs are immediately impaired and recognised as an expense in the consolidated income statement. The Group periodically assesses the status of each project. If a subsequent evaluation determines that the circumstances that gave rise to the impairment have ceased to exist or have been reasonably mitigated, the Group reverses the previously recognised impairment loss.

b) Other intangible assets, including computer software

Intangible assets are presented in the consolidated statement of financial position at cost less accumulated amortisation and accumulated impairment losses. The cost of intangible assets acquired in a business combination is their fair value at the acquisition date, provided that they meet the recognition criteria set out in IFRS 3.

The Group assesses, for each acquired intangible asset, whether its useful life is finite or indefinite. An intangible asset is considered to have an indefinite useful life when there is no foreseeable limit to the period over which it is expected to generate net cash inflows.

Amortisation of intangible assets with finite useful lives is calculated by allocating the depreciable amount systematically over their estimated useful lives as follows:

Administrative concessions	UOP
Mining rights	UOP
Development costs	Straight-line, over the estimated useful life of the project, not exceeding 5 years
Licences and trademarks	Straight-line, 2 to 10 years
Computer software	Straight-line at an annual rate of 15%
Other intangible assets	Straight-line, 3 to 10 years

For this purpose, the depreciable amount represents the acquisition cost or deemed cost less residual value.

Intangible assets with indefinite useful lives are not amortised but are tested annually for impairment, or more frequently if indicators of impairment exist.

The Group reviews the residual value, useful life and amortisation method of intangible assets at each reporting date. Changes to the originally established estimates are accounted for as changes in accounting estimates.

The Group assesses and recognises impairment losses and reversals of impairment losses on intangible assets in accordance with the criteria set out in Note 2.12.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The disposal date is the date on which the buyer obtains control of the asset in accordance with the accounting policy for Revenue from contracts with customers. The consideration received on disposal and any subsequent adjustments thereto are determined in accordance with that policy.

c) Contingent liabilities in the acquisition of intangible assets

The Group has adopted the approach set out in IFRIC 1 for contingent payments related to the acquisition of assets. When acquiring intangible assets subject to contingent payments dependent on future events, such as in the case of the Touro, Masa Valverde and Ossa Morena projects (see Note 1), the Group assesses whether such payments are directly attributable to the cost of the acquired asset.

If the analysis concludes that the payment is linked to the acquisition cost, the Group recognises an intangible asset reflecting the fair value of the rights acquired and a corresponding liability based on the best estimate of the expected future payment, including any anticipated undetermined costs.

If the contingent payment is not directly related to the acquisition cost of the asset, it is recognised as an expense in the period in which it is incurred.

Subsequent changes in the estimated liability resulting from revisions to assumptions, project viability or economic factors are recognised as an adjustment to the carrying amount of the intangible asset. If, at a later stage, uncertainty arises regarding continuation of the project leading to a reassessment of the probability of making the contingent payment, the Group adjusts the liability accordingly and recognises the change against the carrying amount of the asset.

Where intangible assets include non-controlling interests, the Group allocates the corresponding portion of the asset to non-controlling shareholders, ensuring that valuation adjustments to contingent liabilities are appropriately reflected. This policy is applied consistently across all projects to ensure compliance with IFRS and alignment with industry practice.

2.12 Impairment of non financial assets

Assets that have an indefinite useful life (for example, goodwill or intangible assets not yet available for use) are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised in profit or loss when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use.

Value in use is determined based on the expected future cash flows to be derived from the use of the asset, expectations about possible variations in the amount or timing of those cash flows, the time value of money, the price for bearing the uncertainty inherent in the asset and other factors that market participants would consider in assessing the future cash flows related to the asset. The Group assesses whether climate related risks, including physical risks and transition risks, could have a significant impact on the value in use of assets.

The recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In such cases,

the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

When testing a CGU for impairment, the Group identifies the common assets related to it. If a portion of the common assets can be allocated to the CGU on a reasonable and consistent basis, the Group compares the carrying amount of the CGU, including the allocated common assets, with its recoverable amount and recognises any impairment loss at the CGU level. If the Group cannot allocate a portion of the common assets to the CGU on a reasonable and consistent basis, it compares the carrying amount of the CGU, excluding the common assets, with its recoverable amount and recognises any impairment loss at the CGU level. The Group then identifies the smallest group of CGUs to which the carrying amount of the common assets can be allocated on a reasonable and consistent basis and compares the carrying amount of that group of CGUs, including the common assets, with its recoverable amount and recognises any impairment loss at the level of that group of CGUs.

Impairment losses relating to a CGU are allocated first to reduce, where applicable, the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro rata basis according to the carrying amount of each asset, subject to the limit that the carrying amount of each asset is not reduced below the highest of its fair value less costs of disposal, its value in use and zero.

At each reporting date, the Group assesses whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. Impairment losses relating to goodwill are not reversible. Impairment losses for other assets are reversed only if there has been a change in the estimates used to determine the asset's recoverable amount.

A reversal of an impairment loss is recognised in profit or loss. However, the increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined, net of amortisation, had no impairment loss been recognised.

The reversal of an impairment loss for a CGU is allocated to the assets of the CGU, except for goodwill, on a pro rata basis according to the carrying amount of those assets, subject to the limit that the carrying amount of each asset does not exceed the lower of its recoverable amount and the carrying amount that would have been determined, net of amortisation, had no impairment loss been recognised.

2.13 Financial instruments

a) Recognition and classification of financial instruments

Financial instruments are classified on initial recognition as a financial asset, a financial liability or an equity instrument, in accordance with the substance of the contractual arrangement and the definitions of a financial asset, financial liability or equity instrument set out in IAS 32 Financial Instruments: Presentation.

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument.

For measurement purposes, the Group classifies financial instruments into the following categories:

- financial assets and liabilities at fair value through profit or loss, distinguishing those designated on initial recognition from those held for trading or mandatorily measured at fair value through profit or loss;
- financial assets and liabilities measured at amortised cost; and
- financial assets measured at fair value through other comprehensive income, distinguishing equity instruments designated as such from other financial assets.

The Group classifies financial assets, other than those designated at fair value through profit or loss and equity instruments designated at fair value through other comprehensive income, based on the business model and the characteristics of the contractual cash flows. Financial liabilities are classified as measured at amortised cost, except for those designated at fair value through profit or loss and

those held for trading.

A financial asset or liability is classified as held for trading if:

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit taking;
- it is a derivative, except for a derivative designated as a hedging instrument that meets the conditions for hedge effectiveness and a derivative that is a financial guarantee contract; or
- it is an obligation to deliver financial assets borrowed that are not owned.

A financial asset is classified at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. In a basic lending arrangement, interest typically consists of consideration for the time value of money and credit risk. However, in such an arrangement, interest may also include consideration for other risks, such as liquidity risk, and costs, such as administrative costs associated with holding the financial asset for a particular period. In addition, interest may include a profit margin consistent with a basic lending arrangement.

A financial asset is classified at fair value through other comprehensive income if it is held within a business model whose objective is achieved both by collecting contractual cash flows and by selling financial assets and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are SPPI.

The Group has designated its investments in listed equity instruments as financial assets measured at fair value through other comprehensive income.

All other financial assets are classified at fair value through profit or loss.

Financial assets and liabilities arising from contingent consideration in a business combination are classified as financial assets and liabilities at fair value through profit or loss.

Other financial liabilities, except for financial guarantee contracts, loan commitments at below market interest rates and financial liabilities arising from a transfer of financial assets that does not qualify for derecognition or that is accounted for using the continuing involvement approach, are classified as financial liabilities at amortised cost.

A financial asset and a financial liability are offset only when the Group has a currently enforceable legal right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The legal right must not be contingent on a future event and must be legally enforceable in the normal course of business, in the event of insolvency or in the event of judicially declared liquidation and in the event of default.

The Group reclassifies financial assets when it changes its business model for managing those assets. Financial liabilities are not reclassified.

b) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value, plus or minus transaction costs incurred, and are subsequently measured at amortised cost using the effective interest method.

c) Financial assets and liabilities at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are initially recognised at fair value plus directly attributable transaction costs.

Subsequent to initial recognition, financial assets in this category are measured at fair value, with gains or losses recognised in other comprehensive income, except for foreign exchange gains and losses as described in section 2.8 and expected credit losses. Amounts recognised in other

comprehensive income are reclassified to profit or loss on derecognition of the financial assets. However, interest calculated using the effective interest method is recognised in profit or loss.

As indicated above, the Group has designated certain equity instruments as measured at fair value through other comprehensive income. Subsequent to initial recognition, these equity instruments are measured at fair value, with gains or losses recognised in other comprehensive income. Amounts recognised in other comprehensive income are not reclassified to profit or loss, although they may be transferred to reserves on derecognition of the instruments. Dividends are recognised as set out in section h) of this note.

d) Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities at fair value through profit or loss are initially recognised at fair value. Directly attributable transaction costs are recognised in profit or loss as incurred.

Subsequent to initial recognition, they are measured at fair value, with changes recognised in profit or loss. Changes in fair value include the interest and dividend components. Fair value is not reduced by transaction costs that may be incurred on sale or other disposal.

However, for financial liabilities designated at fair value through profit or loss, changes in fair value attributable to the entity's own credit risk are recognised in other comprehensive income. Amounts recognised in other comprehensive income are not subsequently reclassified to the consolidated income statement.

In accordance with IFRS 9, where the Group holds a hybrid contract containing a non-derivative host that is a financial asset within the scope of IFRS 9, the hybrid instrument is assessed in its entirety for classification purposes. Embedded derivatives are not separated from the host contract in such cases.

Where the contractual cash flows of the hybrid instrument do not represent solely payments of principal and interest on the principal amount outstanding, the instrument is classified and measured at fair value through profit or loss.

Convertible instruments held by the Group are assessed under this framework. Where the conversion feature results in cash flows that do not meet the solely payments of principal and interest criterion, the instrument is measured at fair value through profit or loss.

e) Financial assets measured at cost

Investments in equity instruments for which there is insufficient information to measure fair value, or where there is a wide range of possible fair value measurements, and derivatives linked to such investments that must be settled by delivery of those investments, are measured at cost. However, if at any time the Group is able to obtain a reliable measurement of fair value, the asset or contract is measured at fair value, with gains or losses recognised in profit or loss or in other comprehensive income if the instrument is designated at fair value through other comprehensive income.

f) Derecognition and modification of financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

In transactions in which a financial asset is derecognised in its entirety, any financial assets obtained or financial liabilities incurred, including liabilities relating to servicing arrangements, are recognised at fair value.

Derecognition of a financial asset in its entirety results in the recognition in profit or loss of the difference between its carrying amount and the sum of the consideration received, net of transaction costs, including any assets obtained or liabilities assumed and any cumulative gain or loss previously recognised in other comprehensive income, except for equity instruments designated at fair value through other comprehensive income.

If the Group modifies the contractual cash flows of a financial asset without resulting in derecognition, the carrying amount is recalculated as the present value of the modified cash flows discounted at the original effective interest rate or the original credit adjusted effective interest rate,

with any difference recognised in profit or loss. Fees and costs charged by the Group adjust the carrying amount of the financial asset and are amortised over the remaining term of the modified financial asset.

g) Impairment of financial assets

The Group recognises in profit or loss a loss allowance for expected credit losses on financial assets measured at amortised cost and at fair value through other comprehensive income.

For financial assets measured at fair value through other comprehensive income, the expected credit loss is recognised in other comprehensive income and does not reduce the carrying amount of the assets.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. Expected cash flows include cash flows from the sale of collateral or other credit enhancements that are integral to the contractual terms.

The Group's trade receivables mainly arise from sales of copper concentrate to large international commodity trading companies. Based on historical experience and the creditworthiness of counterparties, expected credit losses are considered immaterial.

For receivables (other than trade receivables measured at fair value through profit or loss), the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

At each reporting date, the Group measures the loss allowance at an amount equal to 12 month expected credit losses for financial assets for which credit risk has not increased significantly since initial recognition or where the Group determines that the credit risk of a financial asset has not increased significantly.

The Group considers a financial asset to be in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that it is unlikely that the Group will receive the outstanding contractual amounts in full before taking into account any credit enhancements held.

The Group considers cash and cash equivalents to have low credit risk based on the credit ratings of the financial institutions with which the cash or deposits are held.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows, which generally occurs when collection is more than one year past due and there is no enforceable collateral.

h) Interest and dividends

Interest income is recognised using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the carrying amount of the instrument, based on its contractual terms and without considering expected credit losses.

Dividend income from investments in equity instruments is recognised in profit or loss when the Group's right to receive payment is established, it is probable that the economic benefits will flow to the Group and the amount can be measured reliably.

Dividends on equity instruments classified at fair value through other comprehensive income are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in other comprehensive income.

i) Derecognition and modification of financial liabilities

The Group derecognises a financial liability, or part of it, when the obligation specified in the liability is discharged or is legally released, either by a judicial process or by the creditor.

An exchange of debt instruments between the Group and a counterparty, or substantial modifications of the terms of an existing financial liability, is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability where the terms are

substantially different.

The Group considers the terms to be substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received, discounted using the original effective interest rate, differs by at least 10 per cent from the present value of the remaining cash flows of the original financial liability. For this purpose, only fees paid or received between the borrower and the lender are considered, including fees paid or received by either party on behalf of the other.

If the exchange is accounted for as an extinguishment of the original financial liability, any costs or fees are recognised in profit or loss as part of the gain or loss on extinguishment. Otherwise, the modified cash flows are discounted using the original effective interest rate, with any difference from the previous carrying amount recognised in profit or loss. Fees and costs adjust the carrying amount of the financial liability and are amortised using the amortised cost method over the remaining term of the modified liability.

The Group recognises in profit or loss the difference between the carrying amount of a financial liability, or part of it, extinguished or transferred to a third party and the consideration paid, including any non cash assets transferred or liabilities assumed.

2.14 Contracts for the purchase or sale of non financial assets

The Group enters into forward contracts for the purchase or sale of inventories in accordance with its production requirements and others for trading purposes. At inception and on an ongoing basis, the Group assesses whether such contracts should be recognised as derivative financial instruments. For this purpose, the Group maintains separate records of contracts that meet the conditions not to be classified as derivative financial instruments and those that must be considered as held for trading.

The Group treats as own use contracts those contracts for the purchase or sale of a non financial item that were entered into and continue to be held for the purpose of receipt or delivery in accordance with the entity's expected purchase, sale or usage requirements.

Transaction costs relating to contracts classified as own use contracts are recognised in accordance with the general criteria applicable to costs related to purchase and sale transactions.

The Group enters into contracts relating to nature dependent electricity. Contracts relating to nature dependent electricity are contracts that expose the entity to variability in the underlying volume of electricity because the source of its generation depends on uncontrollable natural conditions (for example, weather conditions). Contracts relating to nature dependent electricity include both contracts for the purchase or sale of such electricity and financial instruments based on that electricity.

Certain contracts relating to nature dependent electricity require the Group to purchase and take delivery of electricity as it is generated. Such contractual features expose the Group to the risk of being required to purchase electricity during a supply period in which it cannot use that electricity. In practice, the Group may also be unable to avoid selling unused electricity because the design and operation of the electricity market in which the electricity is traded under the contract require unused electricity to be sold within a specified period.

In applying the above requirements, such sales are not necessarily inconsistent with holding a contract in accordance with the Group's expected usage requirements. The Group is considered to have entered into and to hold such a contract in accordance with its expected electricity usage requirements if it has been, and is expected to be, a net purchaser of electricity over the term of the contract. The Group is a net purchaser of electricity if it purchases sufficient electricity to offset sales of unused electricity in the same market in which those sales occur.

In determining whether it is a net purchaser of electricity, the Group considers reasonable and supportable information that is available without undue cost or effort regarding its past, current and expected electricity transactions over a reasonable period. In determining what constitutes a reasonable period, the Group considers the variability in the volume of electricity expected to be generated due to the seasonal cycle of natural conditions and the variability in its own electricity demand due to its operating cycle. For the purpose of determining whether the Group has been a net purchaser, the reasonable period does not exceed twelve months.

2.15 Inventories

The Group's inventories comprise copper concentrates, ore stockpiles and metal in circuit, materials and supplies and spare parts. Inventory is physically measured or estimated and is stated at the lower of cost and net realisable value.

Cost of purchase includes the amount invoiced by the supplier after deducting any discounts, rebates or similar items, as well as interest incorporated in the nominal amount of payables and any additional costs incurred until the goods are in their location for sale, other costs directly attributable to the acquisition and non recoverable indirect taxes.

Cost of production comprises the purchase cost of raw materials and other consumables and costs directly related to the units produced, together with a systematic allocation of variable and fixed production overheads incurred in the process of conversion, including depreciation. Fixed production overheads are allocated based on normal production capacity or actual production, whichever is higher. Identifiable conversion costs for each metal are specifically allocated.

The cost of raw materials and other supplies and the cost of production are assigned to the individual items of inventory using the FIFO method. The Group uses the same cost formula for all inventories having a similar nature and use within the Group.

The cost of inventories is written down to profit or loss where their cost exceeds their net realisable value. For this purpose, net realisable value is defined as follows:

- Raw materials and other supplies: replacement cost. However, no write down is made where the finished products into which the raw materials and other supplies will be incorporated are expected to be sold at or above their cost of production.
- Finished goods: estimated selling price less the costs necessary to make the sale.
- Work in progress: estimated selling price of the related finished goods less the estimated costs to complete production and the costs necessary to make the sale. Where the time value of money is material, these future prices and completion costs are discounted.

A previously recognised write down is reversed through profit or loss if the circumstances that caused the write down no longer exist or where there is clear evidence of an increase in net realisable value as a result of a change in economic circumstances. The reversal of a write down is limited to the lower of the cost and the revised net realisable value of the inventories.

2.16 Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits with credit institutions. This category also includes other short term highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. For this purpose, investments with maturities of less than three months from the date of acquisition are included.

2.17 Share capital and dividend distribution

The Parent recognises share capital increases and reductions in equity when the shares have been issued and subscribed.

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Parent and the nominal value of the share capital issued is recognised in the share premium account.

Incremental costs directly attributable to the issue of new ordinary shares are recognised in equity as a deduction, net of tax, from the proceeds in the share premium account.

Dividends of a discretionary nature, whether paid in cash or in kind, are recognised as a reduction in equity when they are approved by the General Meeting of Shareholders.

2.18 Provisions

Provisions are recognised when the Group has a present obligation, whether legal or constructive, as a result of a past event; it is probable that an outflow of resources embodying future economic

benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

The amounts recognised in the consolidated statement of financial position represent the best estimate at the reporting date of the expenditure required to settle the present obligation, taking into account the risks and uncertainties surrounding the provision and, where material, the financial effect of discounting, provided that the amounts to be paid in each period can be reliably determined. The discount rate is determined on a pre tax basis, taking into account the time value of money and the specific risks not reflected in the future cash flows relating to the provision at each reporting date.

Individual obligations are measured at the most likely individual outcome. Where the obligation involves a large population of homogeneous items, it is measured by weighting all possible outcomes by their associated probabilities. Where there is a continuous range of possible outcomes and each point in that range is as likely as any other, the obligation is measured at the mid point of the range.

The unwinding of the discount on provisions is recognised as a finance cost in profit or loss.

Provisions do not include tax effects or expected gains from the disposal or abandonment of assets.

Reimbursement rights receivable from third parties to settle the provision are recognised as a separate asset when recovery is virtually certain. The related income from reimbursement is recognised in profit or loss as a reduction of the expense relating to the provision, limited to the amount of the provision.

Provisions are reversed through profit or loss when it is no longer probable that an outflow of resources will be required to settle the obligation. The reversal is recognised in the same line item in which the related expense was originally recorded and any excess is recognised in other income.

Provision for dismantling, restoration and similar obligations

The Group recognises the present value of the estimated costs of legal or constructive obligations to restore operating sites in the period in which the obligation arises. These restoration activities include the dismantling and removal of structures, rehabilitation of mines and tailings dams, decommissioning of operating facilities, closure of plants and waste sites, and the restoration, remediation and revegetation of affected areas.

The obligation generally arises when the asset is installed or the land or environment at the production site is disturbed. When the provision is initially recognised, the present value of the estimated restoration cost is capitalised as part of the cost of the related mining assets to the extent that the obligation has been incurred before production of the related ore commences.

Changes in the provision arising from revisions to the estimated amount, timing of cash flows or discount rate increase or decrease the cost of the asset, limited to its carrying amount, with any excess recognised in profit or loss. The Group assesses whether an increase in the carrying amount of property, plant and equipment is an indication of impairment. For closed sites, changes in estimated costs are recognised immediately in the consolidated income statement. Similarly, the unwinding of the discount on the provision is recognised as a finance cost in profit or loss.

Changes in the amount of the provision arising after the end of the useful life of the asset are recognised in profit or loss as they occur.

The Group reviews its mine rehabilitation provision annually, which involves the use of significant estimates, including estimates of the scope and cost of rehabilitation activities, technological changes, regulatory changes and changes in discount rates. The Group also considers the impact of climate related matters, such as changes in environmental regulations and other relevant laws, when estimating the rehabilitation provision. These factors may result in future required outflows differing from the amounts provided. The amounts recognised in the consolidated statement of financial position represent the best estimate at the reporting date.

2.19 Income tax

Income tax expense or income comprises both current tax and deferred tax.

Current tax is the amount payable or recoverable in respect of the consolidated taxable profit or loss

for the year. Current income tax assets or liabilities are measured at the amounts expected to be paid to or recovered from the tax authorities, using tax laws and rates that have been enacted or substantively enacted at the reporting date.

Deferred tax liabilities are the amounts of income tax payable in future periods in respect of taxable temporary differences, while deferred tax assets are the amounts of income tax recoverable in future periods arising from deductible temporary differences, unused tax losses or unused tax credits. A temporary difference is the difference between the carrying amount of an asset or liability and its tax base.

Income tax is recognised in profit or loss unless it arises from a transaction or economic event recognised, in the same or a different period, directly in equity or from a business combination.

The Group recognises deferred tax liabilities in all cases except where:

- they arise from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit and does not give rise to equal taxable and deductible temporary differences;
- they relate to temporary differences associated with investments in subsidiaries, associates and joint ventures over which the Group is able to control the timing of the reversal and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group recognises deferred tax assets provided that:

- it is probable that sufficient future taxable profits will be available against which they can be utilised or where tax legislation provides for the future conversion of deferred tax assets into a receivable from the tax authorities. However, deferred tax assets arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit and does not give rise to equal taxable and deductible temporary differences are not recognised;
- they relate to temporary differences associated with investments in subsidiaries, associates and joint ventures, to the extent that the temporary differences are expected to reverse in the foreseeable future and sufficient future taxable profits are expected to be available against which the temporary differences can be utilised.

Where, in a transaction that is not a business combination, a deferred tax asset and a deferred tax liability of the same amount arise on initial recognition but the deferred tax asset cannot be recognised because it is not probable that sufficient future taxable profits will be available or different tax rates apply, the difference is recognised in profit or loss.

The Group considers that sufficient taxable profits will be available to recover deferred tax assets where there are sufficient taxable temporary differences relating to the same tax authority and the same taxable entity, the reversal of which is expected in the same tax period as the reversal of the deductible temporary differences or in periods in which a tax loss arising from a deductible temporary difference can be carried back or forward.

In determining future taxable profits, the Group takes into account tax planning opportunities, provided that it intends to adopt them or it is probable that it will adopt them.

Deferred tax assets and liabilities are measured using the tax rates expected to apply in the periods in which the assets are realised or the liabilities are settled, based on tax laws and rates that have been enacted or substantively enacted, and taking into account the tax consequences that would follow from the manner in which the Group expects to recover the assets or settle the liabilities.

At each reporting date, the Group reviews the carrying amount of deferred tax assets and reduces that amount to the extent that it is no longer probable that sufficient future taxable profits will be available to allow the benefit of all or part of those deferred tax assets to be utilised.

Deferred tax assets that do not meet the above conditions are not recognised in the consolidated statement of financial position. At the reporting date, the Group reassesses whether the conditions for recognising previously unrecognised deferred tax assets are met.

Management periodically evaluates the positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. Where it concludes that it is not probable that the tax authority will accept an uncertain tax treatment or a group of uncertain tax treatments, it reflects the effect of the uncertainty in determining taxable profit or loss, tax bases, unused tax losses, unused tax credits or tax rates. The Group measures the effect of the uncertainty in income tax using either the expected value method, where there is a wide range of possible outcomes, or the most likely amount method, where the outcome is binary or concentrated on a single value. Where the tax asset or liability determined under these criteria exceeds the amount presented in the tax returns, it is presented as current or non current in the consolidated statement of financial position based on the expected timing of recovery or settlement and includes, where applicable, the corresponding late payment interest accrued in the consolidated income statement. The Group accounts for changes in facts and circumstances relating to tax uncertainties as changes in estimates.

The Group offsets current income tax assets and liabilities only when it has a legally enforceable right to offset the amounts with the tax authorities and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The Group offsets deferred tax assets and liabilities only when it has a legally enforceable right to offset current tax assets and liabilities with the tax authorities and the deferred tax assets and liabilities relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities that intend either to settle current tax assets and liabilities on a net basis or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Deferred tax assets and liabilities are presented in the consolidated statement of financial position as non current assets or non current liabilities, irrespective of the expected timing of their realisation or settlement.

2.20 Share based employee payments

The Group operates a long-term incentive plan (LTIP 2020) under which share options have been granted to employees of the Group.

LTIP 2020 – background

Up to and including 2024, options granted under the LTIP 2020 could only be settled through the issuance of equity instruments of the Parent Company. Accordingly, these awards were accounted for as equity-settled share-based payments in accordance with IFRS 2.

The Group's compensation plan establishes the following vesting conditions: (i) the beneficiary must be an employee providing services to the Group; and (ii) the beneficiary must remain in continuous employment for a period of three years. Specific arrangements may exist with senior management and members of the Board of Directors under which their options remain outstanding for a longer period (see Note 24).

Equity instruments granted in exchange for services rendered by employees of the Group are measured by reference to the fair value of the equity instruments granted using the Black-Scholes valuation model.

When the awards are accounted for as equity-settled share-based payments, the fair value is determined at the grant date and recognised over the vesting period without subsequent remeasurement.

Market conditions and other non-vesting conditions, such as non-transferability, exercise restrictions and expected behavioural patterns, are considered in measuring the fair value of the instrument. Other vesting conditions are considered by adjusting the number of equity instruments included in the measurement of the transaction amount, so that the amount recognised for services received is ultimately based on the number of equity instruments that eventually vest.

Accordingly, the Group recognises the amount for services received over the vesting period based on the best estimate of the number of instruments expected to vest and revises that estimate to reflect

the number of instruments expected to vest.

Once the services received and the corresponding increase in equity have been recognised, no further adjustments are made to equity after the vesting date, without prejudice to any reclassifications within equity.

If the Group withholds equity instruments to settle the employee's income tax liability with the tax authorities, the plan is treated in its entirety as equity-settled, except for the portion of the instruments withheld that exceeds the fair value of the tax obligation.

Under current Spanish tax legislation, share-based employee payments are deductible for income tax purposes based on the intrinsic value of the share options at the date they are exercised, giving rise to a deductible temporary difference equal to the difference between the amount that the tax authorities will allow as a deduction in the future and the nil carrying amount of the share-based payments. At the reporting date, the Group estimates the future tax deduction based on the share price at that date. The amount of the tax deduction is recognised as current or deferred income tax in profit or loss, with any excess recognised in equity.

Changes introduced during 2025

During 2025 several changes were introduced in the Group's share-based compensation arrangements.

In May 2025 the Board of Directors approved an amendment to the LTIP 2020 introducing Rule 6.2.2A, which allows the Board, at its discretion, to settle the exercise of options granted to non C-Suite employees in cash instead of issuing equity instruments.

Following this amendment, the Board approved a number of authorisations allowing the settlement of option exercises in cash for non C-Suite employees:

- On 23 June 2025 the Board authorised cash settlement of option exercises up to an aggregate amount of €500,000.
- On 11 August 2025 the authorised amount was increased to €1 million.
- On 9 September 2025 the Board approved an additional €2 million, increasing the total authorised amount for cash settlement to €3 million.

The amount of €3 million represents a maximum aggregate limit approved by the Board and does not constitute a recurring or annual amount.

During 2025, option exercises by non C-Suite employees were settled in cash, resulting in total payments of €2.5 million.

In addition, during 2025 the Group granted share awards to members of the C-Suite. These awards are settled through the issuance of equity instruments and their vesting is subject to the achievement of market and non-market performance conditions.

Furthermore, the Group introduced a deferred cash incentive arrangement for non C-Suite employees under which participants are granted units that are economically linked to the Company's share price but that are settled exclusively in cash.

Accounting treatment

Equity-settled share-based payments

Employee payments settled through the issue of equity instruments are accounted for as follows:

- If the equity instruments granted vest immediately at the grant date, the services received are recognised in profit or loss with a corresponding increase in equity.
- If the equity instruments granted vest when employees complete a specified period of service, the services received are recognised over the vesting period with a corresponding entry in equity.

Cash-settled share-based payments

Where share-based payment arrangements are settled in cash, a liability is recognised for the

services received.

The liability is measured at fair value at each reporting date and at the date of settlement, with changes in fair value recognised in profit or loss. Accordingly, unlike equity-settled share-based payments, the liability recognised for cash-settled arrangements is remeasured after the grant date until the awards are settled.

Arrangements with discretionary cash settlement

Share-based payment transactions in which the terms of the arrangement provide the Group with the option to settle in cash or by issuing equity instruments are accounted for as cash-settled if the Group has incurred a liability to settle in cash or as equity-settled if no such liability has been incurred.

Where the Group has the choice of settlement in cash or by issuing equity instruments, it has a present obligation to settle in cash only if the choice to settle in equity instruments lacks commercial substance or there is a past practice or stated policy of settling in cash or the Group generally settles in cash whenever the employee requests it.

Management assessed the pattern of settlements observed during 2025 together with the authorisations granted by the Board in relation to cash settlements.

Based on this assessment, the Group concluded that sufficient evidence of a past practice of cash settlement arose on 9 September 2025, when the Board approved the increase of the authorised cash settlement limit to €3 million.

Accordingly, from that date the Group recognises a liability for share-based payments expected to be settled in cash, as management concluded that a present obligation to settle such awards in cash had arisen based on the established settlement practice.

The liability is measured at fair value at each reporting date and at the date of settlement, with changes in fair value recognised in profit or loss.

The remaining portion of the LTIP 2020 relating to members of the C-Suite continues to be accounted for as equity-settled, as the Group retains the practical ability to settle those awards through the issuance of equity instruments.

Deferred Cash Incentive Plan

During 2025 the Group introduced a deferred cash incentive arrangement under which participants are granted units that are referable to ordinary shares of the Company but that are settled exclusively in cash. Each unit entitles the participant, upon vesting and exercise, to receive a cash amount equal to the excess of the market price of a share over a predetermined exercise price.

These awards are accounted for as cash-settled share-based payments in accordance with IFRS 2. The liability arising from these arrangements is measured at fair value at each reporting date, with changes in fair value recognised in profit or loss.

2.21 Classification of assets and liabilities as current and non current

The Group presents assets and liabilities in the consolidated statement of financial position based on a current or non current classification. For these purposes:

(a) An asset is classified as current when:

- It is expected to be realised, or is intended to be sold or consumed, in the Group's normal operating cycle;
- It is held primarily for trading purposes;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or a cash equivalent, unless it cannot be exchanged or used to settle a liability for at least twelve months after the reporting date.

(b) A liability is classified as current when:

- It is expected to be settled in the Group's normal operating cycle;

- It is held primarily for trading purposes;
- It is due to be settled within 12 months after the reporting date; or
- The Group does not have, at the reporting date, a right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non current.

2.22 Revenue recognition from contracts with customers

a) Revenue from contracts with customers

The Group is primarily engaged in the production and sale of copper concentrate and, in certain cases, provides loading and shipping services. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group considers that it acts as principal in its contracts with customers because it controls the goods or services before transferring them to the customer.

b) Sales of copper concentrate (metal concentrate)

In most sales of copper concentrate (metal concentrate), each purchase order constitutes a separate short term contract. In transactions not executed under CIF Incoterms, the sole performance obligation is the delivery of the concentrate. However, a portion of the Group's metal concentrate sales are executed under CIF Incoterms, under which the Group is also responsible for providing freight services. In such cases, the freight services represent a separate performance obligation (see section (c) below).

Most of the Group's metal concentrate sales allow for price adjustments based on the market price at the end of the relevant quotation period (QP) specified in the contract. These are referred to as provisional pricing arrangements, under which the sales price of the metal concentrate is based on prevailing spot prices at a specified future date after shipment of the goods to the customer. Adjustments to the sales price arise as a result of fluctuations in quoted market prices until the end of the QP. The period between provisional invoicing and the end of the QP may range from one to three months.

Revenue is recognised when control transfers to the customer, which occurs at the point in time when the metal concentrate is physically transferred to a vessel, train, conveyor or other delivery mechanism. Revenue is measured at the amount the Group expects to receive, corresponding to the estimated price at the end of the QP, that is, the forward price, and a receivable is recognised to the extent that an unconditional right to consideration arises at that time. For arrangements subject to CIF shipping terms, a portion of the transaction price is allocated to the separate freight services provided (see section (c) below).

Under provisional pricing arrangements, as the receivables are exposed to commodity price risk, they do not meet the definition of SPPI and are therefore measured at fair value through profit or loss from initial recognition until settlement. Changes in fair value, estimated by reference to quoted forward market prices for copper and taking into account adjustments for interest rate and credit risk, are recognised in the consolidated income statement separately from revenue from contracts with customers, within the line item "Fair value gain/(loss) relating to provisional pricing arrangements within sales".

Final settlement is based on quantities adjusted as necessary following customer inspection of the product, as well as applicable commodity prices. IFRS 15 requires variable consideration to be recognised only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur. As adjustments relating to final assay results based on the quantity and quality of concentrate sold are not significant, they do not constrain revenue recognition.

c) Freight services

As noted above, a portion of the Group's metal concentrate sales are made under CIF Incoterms,

whereby the Group is responsible for providing freight services (as principal) after the date on which control of the metal concentrate is transferred to the customer. The Group therefore has a separate performance obligation for freight services, which are provided solely to facilitate the sale of the products it produces.

Revenue from freight services is recognised over time as the service is provided. Accordingly, at the reporting date, a portion of the revenue, together with the associated insurance costs, is deferred.

Other Incoterms commonly used by the Group include:

- FOB, where the Group has no responsibility for freight or insurance once the goods have passed the port of loading;
- Ex Works, where control of the goods passes to the customer when the product is made available at the Group's premises; and
- CIP, where control of the goods passes to the customer when the product is delivered to the agreed destination.

In arrangements under these Incoterms, the sole performance obligation is the delivery of the product.

d) Sales of services

The Group provides accounting services, management, technical support, administrative and other services to other companies. Revenue is recognised over the period in which the services are rendered.

Contract assets and contract liabilities

Revenue recognised is presented as a contract asset to the extent that the amount is not yet billable and as a receivable where there is an unconditional right to consideration. If consideration received from the customer exceeds the revenue recognised, a contract liability is recognised.

The Group does not have any contract assets, as all rights to consideration are unconditional.

The Group occasionally recognises contract liabilities in relation to certain metal concentrate sales made under CIF Incoterms, where a portion of the cash is received from the customer before the freight services are provided.

2.23 Care and maintenance expenses

Care and maintenance expenses include costs incurred to maintain assets and infrastructure in an appropriate operational condition during periods of reduced or suspended activity. These costs may relate to preparatory work for potential projects, ongoing maintenance of assets that are not currently in active production or regulatory compliance obligations.

In accordance with IFRS as adopted by the European Union, these expenses are presented below "Gross profit" in the consolidated income statement because they are not directly attributable to revenue generating operations. Instead, they represent period costs incurred while assets are not in active use and are therefore recognised as an operating expense rather than as part of cost of sales.

2.24 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker, identified as the CEO, in order to allocate resources to the segment and assess its performance and for which discrete financial information is available.

The Group has a single business segment, being mining operations, exploration and mineral development.

2.25 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the

Parent by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise instruments convertible into ordinary shares and share options granted to employees.

2.26 Climate related matters

The Group considers climate related matters in its estimates and assumptions, where relevant. This assessment includes a wide range of potential impacts on the Group arising from both physical and transition risks. Although the Group believes that its business model and products will remain viable following the transition to a low carbon economy, climate related matters increase the uncertainty in the estimates and assumptions underlying several items in the consolidated financial statements. While climate related risks may not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate related legislation. The areas and considerations most directly affected by climate related matters are as follows:

- Useful life of property, plant and equipment. In reviewing residual values and the expected useful lives of assets, the Group considers climate related matters, such as climate related legislation and regulations that may restrict the use of assets or require significant investment. Based on the assessment performed of climate related matters, there has been no impact on the Group.
- Impairment of non financial assets. Value in use may be affected in various ways, particularly by transition risk, climate related legislation and regulations and changes in demand for the Group's products. Based on the assessment performed of climate related matters, there has been no impact on the Group.
- In determining the fair value of assets and liabilities, the impact of potential climate related matters, including legislation, that may affect them has been considered. Based on the assessment performed of climate related matters, there has been no impact on the Group.
- Restoration provision. The impact of climate related legislation and regulations is considered when estimating the timing and future costs of rehabilitating the Group's facilities. Based on the assessment performed of climate related matters, there has been no impact on the Group.

2.27 Amendment of the consolidated financial statements after issue

The Board of Directors and the shareholders do not have the right to amend the consolidated financial statements after they have been issued.

3. Financial Risk Management and Critical accounting estimates and judgements

3.1 Financial risk factors

The Group manages its exposure to key financial risks in accordance with its financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security. The main risks that could adversely affect the Group's financial assets, liabilities or future cash flows are market risks comprising: commodity price risk, interest rate risk and foreign currency risk; liquidity risk and credit risk; operational risk, compliance risk and litigation risk. Management reviews and agrees policies for managing each of these risks that are summarised below.

The Group's senior management oversees the management of financial risks. The Group's senior management is supported by the AC that advises on financial risks and the appropriate financial risk governance framework for the Group. The AC provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. Currently, the Group does not apply any form of hedge accounting.

(a) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash to meet liabilities when due. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes principal cash flows associated with both principal and interests.

(Euro 000's)	Carrying amount	Contractual cash flows	Less than 3 months	Between 3 – 12 months	Between 1 – 2 years	Between 2 – 5 years	Over 5 years
31 Dec 2025							
Lease liability	4,473	4,793	-	654	-	2,615	1,524
Other financial liabilities	44,346	44,346	1,266	37,374	5,706	-	-
Non-current payables	12,506	13,850	-	-	-	11,850	2,000
Trade and other payables	99,552	99,552	48,065	51,432	55	-	-
	160,877	162,541	49,331	89,460	5,761	14,465	3,524
31 Dec 2024							
Lease liability	3,801	4,323	-	519	519	1,556	1,729
Other financial liabilities	17,787	18,983	1,519	6,015	5,670	5,779	-
Non-current payables	12,492	13,750	-	-	750	11,000	2,000
Trade and other payables	90,090	90,255	52,929	37,266	60	-	-
	124,170	127,311	54,448	43,800	6,999	18,335	3,729

Financial instruments by category

Financial assets		
(Euro 000's)	2025	2024
Financial assets at amortised cost	192,178	132,096
Financial assets at FV through in OCI	62	-
Financial assets at FV through profit or loss	9,725	-
	201,965	132,096

Financial liabilities		
(Euro 000's)	2025	2024
Financial liabilities at amortised cost	159,004	121,665

The carrying amounts of financial assets recognised in the consolidated statement of financial position represent the Group's maximum exposure to credit risk at the reporting date.

(b) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the British Pound. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The table below presents the Group's balances denominated in foreign currencies as at 31 December 2025 and 31 December 2024, categorised by currency and nature of balance:

(Euro 000's)	2025	2024
USD		
Cash and cash equivalents	61,262	15,513
Trade and other receivables	21,254	10,769
	82,516	26,282
GBP		
Cash and cash equivalents	142	70
CHF		
Trade and other receivables	161	-

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rate, with all other variables held constant, of the Group's profit before tax due to changes in the carrying value of monetary assets and liabilities at reporting date:

(Euro 000's)	Effect on profit before tax for the year ended 31 Dec 2025 increase/(decrease)	Effect on profit before tax for the year ended 31 Dec 2024 increase/(decrease)	Effect on equity for the year ended 31 Dec 2025 increase/(decrease)	Effect on equity for the year ended 31 Dec 2024 increase/(decrease)
(+5%)	18,890	20,364	15,490	16,698
(-5%)	(18,890)	(20,364)	(15,490)	(16,698)

Commodity price risk

Commodity price is the risk that the Group's future earnings will be adversely impacted by changes in the market prices of commodities, primarily copper. Management is aware of this impact on its

primary revenue stream but knows that there is little it can do to influence the price earned apart from a hedging scheme.

Commodity price hedging is governed by the Group's policy which allows to limit the exposure to prices. The Group may decide to hedge part of its production during the year although during 2025 Atalaya maintained full exposure to the copper price.

Commodity price sensitivity

The table below summarises the impact on profit before tax for changes in commodity prices on the fair value of derivative financial instruments and trade receivables that are subject to provisional pricing. The impact on equity is the same as the impact on profit before income tax, as these derivative financial instruments have not been designated as hedges under IFRS 9. Instead, they are classified as held-for-trading and are therefore fair valued through profit or loss.

The derivative financial instruments referenced in this sensitivity analysis are economic derivatives rather than hedge derivatives. These instruments arise from the Group's provisional pricing arrangements, whereby copper concentrate sales are initially recorded at provisional prices and are subsequently adjusted based on market prices at the end of the quotational period (QP), as per the terms of offtake agreements. As a result, the fair value of trade receivables fluctuates with commodity price movements, creating an embedded derivative that is accounted for separately.

This derivative is not designated as a hedge and is classified as held-for-trading, meaning its fair value fluctuations are recognised in profit or loss. Since this pricing adjustment is directly linked to revenue, the impact on profit before tax (PBT) and equity is the same.

The analysis is based on the assumption that copper prices move by \$0.05/lb, with all other variables held constant. Reasonably possible movements in commodity prices were determined based on a review of the last two years' historical prices.

(Euro 000's)	Effect on profit before tax for the year ended 31 Dec 2025 increase/(decrease)	Effect on profit before tax for the year ended 31 Dec 2024 increase/(decrease)	Effect on equity for the year ended 31 Dec 2025 increase/(decrease)	Effect on equity for the year ended 31 Dec 2024 increase/(decrease)
Increase/(decrease) in copper prices				
Increase \$0.05/lb (2024: \$0.05)	7,060	5,012	5,789	4,110
Decrease \$0.05/lb (2024: \$0.05)	(7,060)	(5,012)	(5,789)	(4,110)

A \$0.05/lb movement in copper prices was determined as a reasonably possible change based on historical volatility over the past two years.

(c) Credit risk

The Group applies the expected credit loss ("ECL") model under IFRS 9 to financial assets measured at amortised cost, including loans and trade and other receivables. Expected credit losses are measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial instrument. The measurement of ECL incorporates historical loss experience, counterparty-specific factors and forward-looking information where relevant.

For trade receivables and similar short-term receivables, the Group applies the simplified approach permitted by IFRS 9 and recognises lifetime expected credit losses from initial recognition.

For other financial assets measured at amortised cost, the Group assesses at each reporting date whether credit risk has increased significantly since initial recognition. Where credit risk has not increased significantly, a loss allowance based on 12-month expected credit losses is recognised.

A financial asset is considered to have experienced a significant increase in credit risk when there is a material deterioration in the creditworthiness of the counterparty or where contractual payments

are more than 30 days past due.

A financial asset is considered credit-impaired when contractual payments are more than 90 days past due or when there is other objective evidence of impairment.

Forward-looking information is incorporated into the determination of expected credit losses where relevant, including consideration of macroeconomic conditions and counterparty-specific developments.

There were no significant changes in estimation techniques or significant assumptions applied in measuring expected credit losses during the year.

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has no significant concentration of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. The Group has policies to limit the amount of credit exposure to any financial institution.

Credit risk exposure by stage

(Euro 000's)	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Credit)
31 December 2025			
Cash and cash equivalents	166,306	-	-
Loans (impaired)	20	-	(2,726)
Trade and other financial receivables (impaired)	24,689	-	(21,418)
Other financial assets	1,163	-	-
	192,178	-	(24,144)
31 December 2024			
Cash and cash equivalents	52,878	-	-
Loans	2,627	-	-
Trade and other financial receivables	70,115	-	-
Other financial assets	1,124	-	-

The credit risk exposure presented above includes only financial assets measured at amortised cost that are within the scope of the expected credit loss model under IFRS 9. The prepayment granted to Lain Technologies S.A. which represents an advance payment for services to be received in the future, has been considered in the credit risk analysis. As the recoverability of this prepayment depends on the counterparty's ability to perform the contracted services, management has included it in the assessment of credit risk in accordance with IFRS 9.

The Group's exposure to credit risk arises primarily from cash balances held with financial institutions and from receivables from copper concentrate customers.

Cash balances are held with major international financial institutions with high credit ratings. Trade receivables primarily relate to a limited number of internationally recognised smelting and refining counterparties. Management considers the credit risk associated with these counterparties to be low. The Group does not hold collateral as security in respect of its financial assets.

Except as detailed in the following table, the carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the maximum credit exposure without taking account of the value of any collateral obtained:

(Euro 000's)	31 Dec 2025	31 Dec 2024
Unrestricted cash and cash equivalents at Group level	146,505	43,184

Unrestricted cash and cash equivalents at Operation level	19,801	9,694
Consolidated cash and cash equivalents	166,306	52,878
Net cash position	121,960	35,091
Working capital surplus	93,822	44,728

There are no collaterals held in respect of these financial instruments and there are no financial assets that are past due or impaired as at 31 December 2025 and 2024.

The table below presents the Group's financial assets exposed to credit risk as at 31 December 2025 and 31 December 2024, classified by type of asset.

(Euro 000's)	2025	2024
Non-current financial assets		
Non-current loans	9,834	2,768
Non-current deposits	902	61
	10,736	3,379
Current financial assets		
Current loans	20	5,352
Current receivables	21,668	11,458
	21,688	16,810
Total	32,424	20,189

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest-bearing financial instruments was:

(Euro 000's)	2025	2024
Variable rate instruments		
Financial assets	166,306	52,878

An increase of 100 basis points in interest rates at 31 December 2025 would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit and other equity.

(Euro 000's)	Equity		Profit or loss	
	2025	2024	2025	2024
Variable rate instruments	1,663	529	1,663	529

(d) Operational risk

Operational risk is the risk that derives from the deficiencies relating to the Group's information technology and control systems as well as the risk of human error and natural disasters. The Group's systems are evaluated, maintained and upgraded continuously.

(e) Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non-compliance with laws and regulations. The Group has systems in place to mitigate this risk, including seeking advice from external legal and regulatory advisors in each jurisdiction.

(f) Litigation risk

Litigation risk is the risk of financial loss, interruption of the Group's operations or any other

undesirable situation that arises from the possibility of non-execution or violation of legal contracts and consequentially of lawsuits. The risk is restricted through the contracts used by the Group to execute its operations.

3.2 Fair value measurement

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the reporting date.

The fair value of financial instruments traded in active markets, such as those listed on stock exchanges, and the fair value of assets and liabilities measured at fair value through profit or loss are based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. The appropriate quoted price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods, such as estimated discounted cash flows, and makes assumptions based on market conditions existing at the reporting date.

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(Euro 000's)	Level 1	Level 2	Level 3	Total
31 Dec 2025				
Other current financial assets				
Financial assets at FV through OCI	62	-	1,101	1,163
Financial assets at FV through P&L (*)	-	-	9,725	9,725
Trade and other receivables				
Receivables (subject to provisional pricing)	-	21,254	-	21,254
Total	62	21,254	10,826	32,142
31 Dec 2024				
Other current financial assets				
Financial assets at FV through OCI	23	-	1,101	1,124
Trade and other receivables				
Receivables (subject to provisional pricing)	-	10,769	-	10,769
Total	23	10,769	1,101	11,893

(*) The fair value of the convertible loan was determined using a valuation model reflecting expected outcomes of Lain UK Ltd.

On 30 September 2024 the Company entered into a convertible loan agreement with Lain Technologies Ltd., granting a credit facility of up to €10 million (the "Convertible Loan"). The Convertible Loan was granted for a fixed term to 31 December 2025 and bears interest at EURIBOR

3M + 2% per annum.

As at 31 December 2025, the carrying value of the Convertible Loan amounts €9.7 million comprising €9.3 million of principal and €0.5 million of accrued interest.

If, at the Loan's maturity, if Lain Technologies Ltd has not repaid the principal and accrued interest, Atalaya has the right to acquire 20% of the shares of Lain Technologies, Ltd at zero consideration (in exchange for the outstanding principal and interest of the Convertible Loan). Upon receipt of such equity interest, the Convertible Loan will be cancelled.

As at the date of approval of these financial statements, Atalaya has neither collected the outstanding amount nor exercised the conversion right.

Lain Technologies, Ltd is the owner of the E-LIX technology, which is safeguarded as a trade secret, and the company's value is fundamentally driven by ownership of that technology. The functionality of the E-LIX process has been demonstrated, however, the only demonstration scale plant using this technology is located at Proyecto Riotinto and is currently in ramping up and has not yet achieved consistent commercial production levels.

Given the nature of the asset and the expectation that recovery will occur through conversion into a 20% equity interest rather than through cash flows of principal and interest, the instrument is measured at fair value through profit or loss in accordance with IFRS 9.

Atalaya has relied on the work of an independent valuation expert to determine the fair value of its 20% interest in Lain Technologies Ltd.

The fair value of the 20% interest in Lain Technologies, Ltd. has been estimated using the Discounted Incremental Cash Flows method ("DICF"), applying an appropriate discount rate (Weighted Average Cost of Capital, "WACC").

The DICF methodology determines value based on the present value of incremental cash flows expected to be generated from the application of the E-LIX technology.

These incremental cash flows are calculated as follows:

- (Scenario 1) cash flows estimated for Proyecto Riotinto including the application of the E-LIX technology; minus
- (Scenario 2) cash flows estimated for Proyecto Riotinto without the application of the E-LIX technology.

Key assumptions applied in the valuation model include an 8% discount for lack of marketability ("DLOM") and commodity price assumptions based on a combination of forward market prices and management's long-term forecasts, which are broadly consistent with those used in the Group's impairment testing and internal planning processes.

The valuation has been prepared using Cerro Colorado open pit at Proyecto Riotinto as a reference operating scenario and does not include potential applications of the E-LIX technology to other mines, reflecting the early stage of deployment of the technology and providing a conservative estimate of value.

The following scenarios were considered in determining the range of reasonable values:

- Base Case: based on planned copper extraction for the Cerro Colorado mine and WACC of 9.3%.
- Low Range: based on planned copper extraction for the Cerro Colorado mine and WACC of 11%.
- High Range: based on planned copper extraction for the Cerro Colorado mine and WACC of 7%.

The incremental cash flows for each of these scenarios are as follows:

(Million of Euro)	Incremental Cash Flows
Low Range	10.1
Base Case	10.9
High Range	13.4

Sensitivity analysis has also been performed, including scenarios with increased production volumes and lower discount rates. Under an illustrative scenario assuming an increase of up to 20% in copper payable and a minimum WACC of 7%, the resulting valuation would amount to €16.1 million. The valuation incorporates assumptions regarding the resolution of current operational constraints and the achievement of improved production levels, which are inherently uncertain and subject to execution risk.

Based on the above considerations, management has estimated the fair value at year-end to be €9.7 million. The maximum credit risk to which Atalaya is exposed in relation to the Convertible Loan amounts to €9.7 million.

3.3 Capital risk management

The Group considers its capital structure to consist of share capital, share premium and share options reserve. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group is not subject to any externally imposed capital requirements.

In order to maintain or adjust the capital structure, the Group issues new shares. The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The AC reviews the capital structure on a continuing basis.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Group monitors capital on the basis of the gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as provisions plus deferred consideration plus trade and other payables less cash and cash equivalents.

(Euro 000's)	31 Dec 2025	31 Dec 2024
Total liabilities less cash	33,526	104,433
Total equity (excluding NCI)	589,870	516,384
Total capital	623,396	620,187
Gearing ratio	5.38%	16.82%

3.4 Critical accounting judgements and Key sources of estimation uncertainty

The preparation of the Group's financial statements requires management to apply judgements, estimates, and assumptions that affect the recognition and measurement of assets, liabilities,

revenues, and expenses. These judgements and estimates are based on management's experience, industry knowledge, and expectations of future events that are considered reasonable under the circumstances.

Under IAS 1 – Presentation of Financial Statements, the Group distinguishes between critical accounting judgements and key sources of estimation uncertainty, as they have different disclosure requirements:

- Critical accounting judgements involve decisions made by management in applying accounting policies that have the most significant impact on the financial statements (IAS 1, paragraph 122). These judgements do not involve estimation uncertainty but require management to make subjective assessments in applying IFRS.
- Key sources of estimation uncertainty involve assumptions about the future that create a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year (IAS 1, paragraph 125). These estimates are subject to inherent uncertainty, and actual results may differ from those originally assumed.

Management continuously evaluates these judgements and estimates to ensure they remain appropriate and reflect the latest available information. Significant accounting judgements and critical estimates identified by the Group are outlined below, along with their potential financial impact.

Critical accounting judgments

(a) Consolidation of Cobre San Rafael

Cobre San Rafael, S.L. is the entity that holds the mining rights for Proyecto Touro. Although the Group initially owned only a 10% equity interest, management has exercised judgement under IFRS 10 – Consolidated Financial Statements and determined that Atalaya controls Cobre San Rafael, S.L. and should consolidate up to 80% of its interest in the Group's financial statements.

This judgement is based on the following key factors:

Power Over Relevant Activities

- Atalaya has substantive rights that enable it to direct key operational and financial decisions.
- The Group has the ability to appoint key personnel, including senior management and operational leadership.
- One of the two Directors of Cobre San Rafael, S.L. is appointed by Atalaya, allowing it to influence strategic decisions.

Exposure to Variable Returns

- Atalaya bears financial risks through contractual obligations that require it to absorb Cobre San Rafael, S.L.'s losses, exceeding its initial ownership percentage.
- The Group provides funding and financial support to maintain the subsidiary's operations, reinforcing its economic exposure.

Control and Increased Consolidation Up to 80%

- Under IFRS 10, control is determined by power over the entity, exposure to variable returns, and the ability to affect those returns.
- Due to Atalaya's contractual rights, financial obligations, and decision-making authority, management has determined that the Group exercises control over Cobre San Rafael, S.L.
- As a result, the Group has elected to consolidate up to 80% of its interest, in line with its milestone-based acquisition framework, which allows for an increase in ownership over time.

This assessment represents a significant judgement, as control is not based solely on the percentage of ownership but rather on the ability to direct relevant activities and bear associated financial risks. Management continues to monitor changes in contractual arrangements, funding obligations, and decision-making rights to assess whether control remains appropriate under IFRS 10.

Management has exercised judgement in determining that Atalaya controls Cobre San Rafael, S.L., despite holding only a 10% equity interest. Under IFRS 10 – Consolidated Financial Statements, control exists when an entity has power over relevant activities, exposure to variable returns, and the ability to affect those returns.

Atalaya has the ability to appoint key personnel and influence strategic decisions through board representation. Additionally, it bears the financial risks of the subsidiary due to contractual obligations requiring it to absorb its losses. Based on these factors, Atalaya consolidates up to 80% of its interest in the Group's financial statements.

Contingent Liabilities Related to Cobre San Rafael

In addition to the consolidation judgement, the Group evaluated whether any contingent liabilities exist in relation to Cobre San Rafael or other entities. Under IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, a contingent liability arises when a past event creates a possible obligation, but its settlement depends on uncertain future events outside the Group's control.

As of 31 December 2025, the Group does not have any significant contingent liabilities other than those related to Cobre San Rafael. The main risks associated with CSR include potential legal and environmental obligations related to Proyecto Touro's permitting process, which remain subject to ongoing regulatory developments.

Management continues to assess whether any additional provisions or contingent liabilities should be recognised, considering legal, regulatory, and operational risks affecting the Group's interests.

(b) Capitalisation of exploration and evaluation costs

Under the Group's accounting policy, exploration and evaluation expenditure is not capitalised until the point is reached at which there is a high degree of confidence in the project's viability, and it is considered probable that future economic benefits will flow to the Group. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project proves to be unviable, all irrecoverable costs associated with the project net of any related impairment provisions are written off.

Judgement is required to determine when exploration and evaluation costs should be capitalised. The Group only capitalises expenditure once there is a high degree of confidence in a project's viability, and future economic benefits are considered probable. Until this point, costs are expensed.

(c) Classification of financial instruments

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through OCI, or fair value through profit or loss.

The Group and Company exercises judgement upon determining the classification of its financial assets upon considering whether contractual features including interest rate could significantly affect future cash flows. Furthermore, judgment is required when assessing whether compensation paid or received on early termination of lending arrangements results in cash flows that are not 'solely payments of principal and interest (SPPI).

Certain financial assets contain features such as early termination options, variable or linked interest rates, or conversion options into equity instruments. These contractual features require management to assess whether the SPPI criterion is met and whether the instrument should be measured at amortised cost, fair value through OCI, or fair value through profit or loss. In particular, the existence of conversion options into shares may introduce exposure to equity risk and therefore may preclude measurement at amortised cost.

Significant judgement is therefore required in evaluating the economic substance of these contractual arrangements and determining the appropriate accounting classification under IFRS 9 and, where applicable, IAS 32.

(d) Stripping costs

The Group incurs waste removal costs (stripping costs) during the development and production phases of its surface mining operations. Furthermore, during the production phase, stripping costs are incurred in the production of inventory as well as in the creation of future benefits by improving access and mining flexibility in respect of the orebodies to be mined, the latter being referred to as a stripping activity asset. Judgement is required to distinguish between the development and production activities at surface mining operations.

The Group is required to identify the separately identifiable components or phases of the orebodies for each of its surface mining operations. Judgement is required to identify and define these components, and also to determine the expected volumes (tonnes) of waste to be stripped and ore to be mined in each of these components. These assessments may vary between mines because the assessments are undertaken for each individual mine and are based on a combination of information available in the mine plans, specific characteristics of the orebody, the milestones relating to major capital investment decisions and the type and grade of minerals being mined.

Judgement is also required to identify a suitable production measure that can be applied in the calculation and allocation of production stripping costs between inventory and the stripping activity asset. The Group considers the ratio of expected volume of waste to be stripped for an expected volume of ore to be mined for a specific component of the orebody, compared to the current period ratio of actual volume of waste to the volume of ore to be the most suitable measure of production.

These judgements and estimates are used to calculate and allocate the production stripping costs to inventory and/or the stripping activity asset(s). Furthermore, judgements and estimates are also used to apply the units of production method in determining the depreciable lives of the stripping activity asset(s).

(e) Contingent liabilities

A contingent liability arises where a past event has taken place for which the outcome will be confirmed only by the occurrence or non-occurrence of one or more uncertain events outside of the control of the Group, or a present obligation exists but is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.

A provision is made when a loss to the Group is likely to crystallise. The assessment of the existence of a contingency and its likely outcome, particularly if it is considered that a provision might be necessary, involves significant judgment taking all relevant factors into account.

(f) Impairment of assets

Events or changes in circumstances can give rise to significant impairment charges or impairment reversals in a particular year. The Group assesses each Cash Generating Unit ("CGU") annually to determine whether any indications of impairment exist. If it was necessary management could contract independent expert to value the assets. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered the higher of the fair value less cost to sell and value-in-use. An impairment loss is recognised immediately in net earnings (Note 13).

These assessments require the use of estimates and assumptions such as commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted at an appropriate discount rate to determine the net present value. For the purpose of calculating the impairment of any asset, management regards an individual mine or works site as a CGU.

Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its projects.

The assessment of impairment indicators and the recoverable amount of assets requires management to estimate future cash flows, discount rates, and market conditions. After performing sensitivity calculations, a 10% decrease in copper prices would not result in an impairment charge.

(g) Classification of share-based payment arrangements

The amendment to the LTIP 2020 approved by the Board of Directors in May 2025 introduced a discretionary mechanism allowing the settlement of certain option exercises in cash instead of issuing equity instruments. This mechanism applies exclusively to options exercised by non C-Suite employees and is subject to a maximum aggregate cash settlement limit of €3 million approved by

the Board.

The classification of these awards requires judgement in determining whether the Group has incurred a present obligation to settle in cash in accordance with IFRS 2.41.

In making this assessment, management considered the following factors:

- the contractual terms of the amended LTIP 2020 plan;
- the authorisations granted by the Board of Directors and the cumulative limits approved for cash settlement during 2025;
- the pattern of settlements observed since the introduction of the amendment; and
- whether the Group retains a realistic alternative to settle the awards by issuing equity instruments.

Based on this analysis, management concluded that sufficient evidence of a past practice of cash settlement arose on 9 September 2025, when the Board approved the increase of the authorised cash settlement limit to €3 million.

From that date, the Group considers that a constructive obligation exists to settle certain awards in cash in accordance with IFRS 2.41. However, this obligation is limited to the maximum aggregate amount authorised by the Board of Directors.

For awards exceeding this limit, the Group retains the practical ability to settle the options through the issuance of equity instruments. Accordingly, no present obligation to settle in cash exists for the remaining options outstanding.

The measurement of liabilities arising from cash-settled share-based payment arrangements requires the use of market-based inputs, including the share price at the reporting date and expected vesting conditions.

Key sources of estimation uncertainty

(h) Ore Reserve and Mineral Resource estimates

The estimation of Ore Reserves and Mineral Resources impacts various accounting estimates in the Group's financial statements that requires critical accounting judgement. While Ore Reserve estimates are based on geological, technical, and economic assessments performed by qualified persons, they are not standalone accounting estimates under IFRS. Instead, they act as key assumptions that influence multiple financial statement areas, including:

- Depreciation and amortisation, particularly for assets depreciated using the unit-of-production (UOP) method.
- Impairment assessments, as future expected cash flows depend on estimated recoverable Ore Reserves.
- Capitalisation of stripping costs, which determines whether waste removal costs should be recognised as an asset or expensed.
- Rehabilitation and decommissioning provisions, as Ore Reserve estimates affect the timing and expected costs of site restoration.

The Group estimates its Ore Reserves and Mineral Resources based on geological and technical data relating to the size, depth, shape, and grade of the ore body, along with suitable production techniques and recovery rates. These assessments require complex geological judgements, including:

- Long-term copper price assumptions.
- Foreign exchange rate forecasts affecting project viability.

- Production costs, capital expenditure requirements, and expected recovery rates.
- Mining recovery and dilution factors.
- Environmental and regulatory considerations.

The Group uses independent qualified persons to compile this data in accordance with the JORC Code. Changes in the judgments surrounding Ore Reserves may impact as follows:

- The carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, and goodwill may be affected due to changes in estimated future cash flows;
- Depreciation and amortisation charges in the consolidated and company statements of comprehensive income may change where such charges are determined using the UOP method, or where the useful life of the related assets change;
- Capitalised stripping costs recognised in the statement of financial position as either part of mine properties or inventory or charged to profit or loss may change due to changes in stripping ratios;
- Provisions for rehabilitation and environmental provisions may change where Ore Reserve estimate changes affect expectations about when such activities will occur and the associated cost of these activities;
- The recognition and carrying value of deferred income tax assets may change due to changes in the judgements regarding the existence of such assets and in estimates of the likely recovery of such assets.

Update in Ore Reserves and Its Financial Impact

In June 2025, Atalaya incorporated a further update of its Ore Reserves based on an independent expert analysis in accordance with the JORC Code (2012).

This update reflects a revised understanding of the geological model, mine planning parameters and economic assumptions applicable to Proyecto Riotinto. As a result, certain accounting estimates linked to depreciation and stripping activity have been revised accordingly.

Judgements and Assumptions:

The update in Ore Reserves requires significant judgments and assumptions, particularly in estimating the quantity and quality of the ore, the economic viability of extraction, and the life of the mine. These estimates impact various accounting measures, including depreciation schedules, cost allocations, and capitalisation policies.

Management has applied considerable expertise and relied on independent expert opinions to ensure these estimates are robust and reflect the best available information.

Impact on Profit and Loss Statement:

The June 2025 Ore Reserves update resulted in a net decrease in operating expenses recognised in profit or loss of approximately €4.7 million for the year. This net impact reflects a decrease in depreciation of mining assets of €5.4 million and a decrease in depreciation of slow-moving tooling and related assets of €0.2 million. In additions, there was a decrease in the capitalisation of stripping costs of €1.4 million and a decrease in depreciation of previously capitalised stripping costs of €0.5 million.

Overall, the updated Ore Reserves model resulted in lower depletion and depreciation charges and a revised allocation of production stripping costs, reflecting the updated life-of-mine profile.

Accumulated Depreciation of Mining Assets:

The revised Ore Reserves estimates have led to a reduction in depreciation expense for mining assets during the year, amounting to €5.4 million. This adjustment reflects changes in the depletion profile under the units of production method, based on the updated estimate of commercially recoverable Ore Reserves.

The revised Ore Reserves base results in a recalibration of the remaining depreciable amount over the updated life of mine

Capitalised Stripping Costs

As a consequence of the updated Ore Reserves model and mine plan sequencing, both the level of capitalised stripping costs and the related amortisation profile have been revised.

Depreciation of capitalised stripping assets decreased by €0.5 million during the year, reflecting the updated production profile. In addition, the capitalisation of stripping costs decreased by €1.4 million compared with previous estimates, consistent with the revised assessment of improved access to identifiable ore components in accordance with IFRIC 20.

Compliance with Reporting Standards:

The Group reports its Mineral Resources and Ore Reserves in accordance with the JORC Code. This ensures that our reporting is consistent with internationally recognised guidelines, providing transparency and comparability for our stakeholders.

(h) Provisions for decommissioning and site restoration costs

Accounting for restoration provisions requires management to make estimates of the future costs the Group will incur to complete the restoration and remediation work required to comply with existing laws, regulations and agreements in place at each mining operation and any environmental and social principles the Group is in compliance with. The calculation of the present value of these costs also includes assumptions regarding the timing of restoration and remediation work, applicable risk-free interest rate for discounting those future cash outflows, inflation and foreign exchange rates and assumptions relating to probabilities of alternative estimates of future cash outflows.

The discount rate used in the calculation of the net present value of the liability as at 31 December 2025 was 3.67% (2024: 3.23%), which is the 15-year Spain Government Bond rate for 2025. An inflation rate in the range of 2%-2.90% (2024: 2%-2.80%) is applied on annual basis.

Management uses its judgement and experience to provide for and (in the case of capitalised decommissioning costs) amortise these estimated costs over the life of the mine. The ultimate cost of decommissioning and timing is uncertain and cost estimates can vary in response to many factors including changes to relevant environmental laws and regulations requirements, the emergence of new restoration techniques or experience at other mine sites. As a result, there could be significant adjustments to the provisions established which would affect future financial results. Refer to Note 27 for further details.

Provisions are based on estimates of future costs, inflation rates, discount rates, and the timing of restoration activities. Changes in environmental laws or unexpected site conditions could significantly affect these estimates. A 1% increase in the discount rate would reduce the provision by €2.0 million, while a 1% decrease would increase the provision by €2.0 million.

(i) Inventory

Net realisable value tests are performed at each reporting date and represent the estimated future sales price of the product the entity expects to realise when the product is processed and sold, less estimated costs to complete production and bring the product to sale. Where the time value of money is material, these future prices and costs to complete are discounted.

Copper concentrate inventories are valued at the lower of cost or NRV. This estimate is based on forecasted commodity prices and production costs. A 10% decrease in copper prices would not result in any impairment, as inventory values would still exceed cost.

(j) Recoverability of Assets Related to the E-LIX Project

For the purposes of assessing impairment, the Group's assessed the recoverability of the assets associated with E-LIX project by considering their individual recoverability characteristics distinguishing between: (i) the Convertible Loan that may be converted into 20% of the equity of Lain Technologies Ltd., the company which owns the E-LIX technology; and (ii) assets related directly to the Industrial Plant located at Proyecto Riotinto.

For (i) above, the Company has measured at fair value through profit or loss in accordance with IFRS

9 (Refer to Note 3.2).

The E-LIX technology represents a source of estimation uncertainty due to the significant assumptions involved in assessing the recoverability of Atalaya's investment in the project. The Group has invested in and funded Lain through various phases of development, including the construction of a pilot plant, feasibility studies testing activities, and the development of an industrial-scale plant to apply the E-LIX electrochemical extraction technology to a variety of complex sulphide ores.

The recoverability of these investments depends on several factors, including:

- Successful commercialisation of the E-LIX technology – The technology must demonstrate continued operational effectiveness and economic scalability in full-scale production.
- Market conditions for copper and zinc – Long-term price trends impact the financial viability of the project.
- Production efficiency and cost assumptions – The plant's ability to achieve projected volumes, recovery rates and cost efficiencies is critical.
- Exclusivity and operational agreements – The Group holds limited exclusive rights to the E-LIX technology within the Iberian Pyrite Belt, which may support potential future economic benefits.

Given these factors, management assesses both qualitative and quantitative indicators when determining the recoverability of the investment at asset level.

The key estimation uncertainties relate to:

- The financial capability of the owner of the E-LIX technology to operate the Industrial Plant. Financial difficulty could impact the viability of the Industrial Plant at Riotinto.
- The finalisation of the ramp-up and the expected operational efficiency of the Industrial Plant operating at continuous production levels. Any delays or underperformance could impact future cash flow generation.
- Identification of appropriate feedstock. It is recognised that the technology will not be appropriate for all types of ore/feed material and so establishing suitable feed material will be a critical part of ongoing testwork/financial analysis.
- Commodity price fluctuations – Variations in copper and zinc prices could significantly influence revenue projections.
- Regulatory and operational risks – The project requires ongoing compliance with environmental and industrial regulations.

At 31 December 2025, the Group recognised an impairment of €24.1 million in relation to certain assets associated with the E-LIX project. Due to the inherent estimation uncertainty, the Group will continue to monitor operational performance and market conditions, and will reassess the recoverability of the related assets when new information becomes available. Refer to Note 13 of the Financial Statements

4. Segments

Segments

The Group has only one distinct business segment, that being mining operations, which include mineral exploration and development.

Copper concentrates produced by the Group are sold to three offtakers as per the relevant offtake agreement (Note 31.3).

Geographical areas of operations

The Group has only one distinct business segment, which is mining operations, including mineral exploration and development.

The Group's copper concentrate production takes place in Spain, while its commercialisation is carried out through Cyprus via its subsidiary, EMED Marketing Limited. The production of copper concentrate is undertaken by Atalaya Riotinto Minera, S.L.U. in Spain. Once produced, the copper concentrate is sold to international clients under the Group's offtake agreements, which are managed by EMED Marketing Limited, a subsidiary based in Cyprus.

EMED Marketing Limited holds the offtake agreements with customers and is responsible for the promotion and sale of the copper concentrate. Under these agreements, it provides marketing services, including coordinating and managing the ordering and delivery of the copper concentrate. However, EMED Marketing Limited does not control the concentrate before it is transferred to customers, as the production and provision of the product are undertaken by Atalaya Riotinto Minera, S.L.U. Since it does not have the ability to direct the use of the concentrate or obtain benefits from it before the transfer to customers, EMED Marketing Limited acts as an agent in these transactions.

The transfer of control over the marketing services provided by EMED Marketing Limited occurs at the moment the customer receives the copper concentrate. This is the point in time when the customer benefits from EMED Marketing Limited's role in arranging for the provision of the concentrate. Consequently, revenue from these sales is recognised at that point.

Sales transactions between Group companies are conducted at arm's length, in accordance with transfer pricing regulations, ensuring comparability with third-party transactions. The accounting policies applied by the Group in Spain and Cyprus are consistent with those outlined in Note 2.

The table below presents an analysis of revenue from external customers based on their geographical location, determined by the country of establishment of each customer.

Revenue – from external customers	2025	2024
	€'000	€'000
Switzerland	276,975	256,243
Singapore	205,422	69,676
Spain	518	878
	482,915	326,797

The table below presents revenues from external customers attributed to the country of domicile of the Company.

Revenue – from external customers	2025	2024
	€'000	€'000
Cyprus	36,488	25,404
Spain	446,427	301,393
	482,915	326,797

The geographical location of the specified non-current assets is based on the physical location of the asset in the case of property, plant and equipment as well as intellectual property.

Non-current assets	2025	2024
	€'000	€'000
Spain	522,648	479,241
	522,648	479,241

Revenue represents the sales value of goods supplied to customers; net of value added tax. The following table summarises sales to customers with whom transactions have individually exceeded 10.0% of the Group's revenues.

(Euro 000's)	2025		2024	
	Segment	€'000	Segment	€'000

Offtaker 1	Copper	205,422	Copper	69,676
Offtaker 2	Copper	91,875	Copper	91,849
Offtaker 3	Copper	131,840	Copper	164,394

5. Revenue

(Euro 000's)	2025	2024
Revenue from contracts with customers ⁽¹⁾	474,863	341,787
Price finalisation adjustments on provisionally priced sales	2,372	-
Fair value (loss)/ gain relating to provisional pricing within sales ⁽²⁾	5,209	(15,868)
Other income ⁽³⁾	471	878
Total revenue	482,915	326,797

⁽¹⁾ Included within 2025 revenue there is a transaction price of €12,095 thousand (€11,709 thousand in 2024) related to the freight services provided by the Group to the customers arising from the sales of copper concentrate under CIF incoterm.

⁽²⁾ Provisional pricing impact represented the change in fair value of the embedded derivative arising on sales of contrate.

⁽³⁾ Other income mainly represents scraps.

All revenue from copper concentrate is recognised at a point in time when the control is transferred. Revenue from freight services is recognised over time as the services are provided.

The increase in revenues was mainly due to higher concentrate sales volumes and higher realised prices and lower TC/RC prices. Inventories of concentrates at year-end was 4,050 tonnes, compared with 21,815 tonnes in 2024.

The Group applies the practical expedient in IFRS 15.121 and does not disclose information about remaining performance obligations for contracts with an original expected duration of one year or less. Concentrate sales and associated freight services under CIF terms are short-term in nature. Accordingly, at 31 December 2025, the Group did not have material remaining performance obligations requiring disclosure.

6. Expenses by nature

(Euro 000's)	2025	2024
Operating costs**	234,707	197,793
Care and maintenance expenditure	13,008	16,723
Exploration expenses	7,621	4,975
Employee benefit expense (Note 7)	27,875	27,868
Compensation of directors and key management personnel	3,261	2,397
Auditors' remuneration – audit (Note 32)	332	401
Other accountants' remuneration	848	1,291
Consultants' remuneration	1,690	1,775
Depreciation of property, plant and equipment (Note 13)	42,718	39,658
Amortisation of intangible assets (Note 14)	4,802	3,907
Share option-based employee benefits (Note 24)	7,009	1,379
Shareholders' communication expense	113	125
On-going listing costs	357	1,114
Legal costs	769	368
Public relations and communication development	1,740	963
Rents (Note 28)	7,230	5,492
Other expenses and provisions	627	(1,841)

Reversal of impairment losses (*) (Note 14)	-	(6,948)
Impairment loss on trade receivables and contract assets	21,418	1,205
Total	376,125	298,645

(*) An impairment charge for the same amount was recorded in the same caption during 2024: mine site depreciation, amortisation and impairment, in the consolidated statement of comprehensive income of 2019.

(**) Operating costs primarily include mining and processing costs related to the Proyecto Riotinto operation. These comprise costs for raw materials (€53.0m), utilities (€38.5m), professional and contract services (€91.3m), maintenance (€12.8m) and other direct production expenses incurred in the extraction and processing of copper concentrate.

The increase in costs was mainly due to higher input costs and a reduce in copper concentrate stock at the end of the period.

During 2025, the Group recognised personnel expenses of €7.0 million in relation to the Share option-based employee benefits plan granted to members of key management and other employees. The expense reflects the fair value of the shares granted in accordance with IFRS 2.

7. Employee benefit expense

(Euro 000's)	2025	2024
Wages and salaries	20,516	20,430
Social security and social contributions	6,642	6,613
Employees' other allowances	19	24
Bonus to employees	698	801
Total	27,875	27,868

The average number of employees and the number of employees at year end by office are:

Number of employees	Average		At year end	
	2025	2024	2025	2024
Spain – Full time	478	492	480	490
Spain – Part time	27	3	34	3
Cyprus – Full time	1	1	1	1
Cyprus – Part time	2	2	2	2
United Kingdom – Full time	1	-	1	1
Total	509	498	518	497

8. Finance income

(Euro 000's)	2025	2024
Financial interest	1,834	1,887
Other received interest	-	-
	1,834	1,887

Financial interests include interest received on bank balances of €0.6 million (2024: €0.6 million) and €1.2 million related to the contractual accrual of interest on funding provided in connection with the E-LIX project (see Note 13). The recognition of this interest income reflects the contractual terms of the relevant agreements and does not imply recoverability of the underlying balances, which have

been assessed for impairment as described in Note 13.

9. Finance costs

(Euro 000's)	2025	2024
Interest expense:		
Interest payable for borrowings	583	1,131
Interest expense on lease liabilities	21	30
Unwinding of discount on mine rehabilitation provision (Note 27)	796	828
Impairment and gains/(losses) on disposal of financial instruments	2,726	-
	4,126	1,989

Interest payable for borrowings include the financing costs related to Solar plant, other long-term debt and other operating facilities.

During the year ended 31 December 2025, the Group capitalised €0.7 million (2024: €1.0 million) of borrowing costs related to the construction of the solar plant and an area of the plant in accordance with IAS 23.

The aggregate net foreign exchange gain/losses recognised in profit or loss were:

(Euro 000's)	2025	2024
Net foreign exchange gain/(loss) included in other gain/(losses)	(6,263)	3,090
Total net foreign exchange gain/ (losses) recognised in profit before income tax for the period	(6,263)	3,090

10. Tax

(Euro 000's)	2025	2024
Current income tax charge	17,646	2,732
Deferred tax income relating to the origination of temporary differences (Note 17)	(2,725)	(6,297)
Deferred tax expense relating to reversal of temporary differences (Note 17)	1,979	2,528
	16,900	(1,037)

The tax on the Group's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

(Euro 000's)	2025	2024
Accounting profit before tax	102,263	31,523
Tax calculated at the applicable tax rates of the Company –25% Spain (2024: 12.5% Cyprus)	25,566	7,881
Tax effect of expenses not deductible for tax purposes		-
Tax effect of tax loss for the year	1,052	4,018
Tax effect of allowances and income not subject to tax	(9,215)	(5,769)
Effect of lower tax rates in other jurisdictions of the group	242	(2,921)
Tax effect of tax losses brought forward	-	-
Deferred tax (Note 17)	(745)	(4,246)
Tax (credit)/ charge	16,900	(1,037)

Dividends proposed by the Parent Company after the reporting date do not give rise to income tax consequences for the Group.

The group has tax refundable as at 31 December 2025 €2.8 million (2024: €nil).

Tax losses carried forward

As at 31 December 2025, the Group had tax losses carried forward amounting to €7.2 million from the Spanish subsidiaries.

Applicable tax

With regard to taxation and, in particular, income tax, the Group is subject to the regulations of several tax jurisdictions due to the broad geographical activities carried out by the companies comprising the Group. For this reason, the Group effective tax rate is shaped by the breakdown of earnings obtained in each of the countries where it operates and, occasionally, by the taxation of these earnings in more than one country (double taxation).

Cyprus

The corporation tax rate is 12.5%. Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17% for 2014 and thereafter. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years. As of 2026 tax year, the corporate income tax (CIT) rate has increased from 12.50% to 15%.

Spain

Most of the entities resident in Spain for tax purposes are subject to taxation for corporate income tax under Spain's consolidated tax regime. Under this regime, the companies comprising the tax group jointly determine the Group's taxable profit and tax liability.

Atalaya Mining Copper, S.A. is the parent of Consolidated Tax Group, which comprises all of the companies resident in Spain that are at least 75%-owned, directly or indirectly, by the parent and that meet certain prerequisites. This Consolidated Tax Group was composed of 7 companies in 2024, the most significant of which are: Atalaya Mining Copper, S.A., Atalaya Riotinto Minera, S.L.U. and Atalaya Masa Valverde S.L.U.

The rest of the companies resident in Spain for tax purposes that are not included in the above tax group determine their income tax individually.

Spanish companies, whether taxed individually or on a consolidated basis, were subject to a general tax rate of 25% in 2024.

The corporate income tax rate in Spain for 2025 is 25% (25% in 2024), in accordance with the Spanish General Tax Law.

Government and legal proceedings with tax implications

The years for which the Group companies have their tax returns open for audit with regard to income tax and the main applicable taxes are as follows:

Country	Years
Spain	2022-2025
Cyprus	2020-2025
United Kingdom	2020-2025

The Group hasn't recognized tax provisions related to Administrative and judicial proceedings with tax implications in 2025 (2024: €nil).

Tax inspections

On 1 October 2025, the AEAT (Spanish Tax Authorities) notified the Company, in its capacity as representative entity of Spanish tax group 288/18, of the commencement of a tax inspection

procedure.

The inspection has a partial scope and relates primarily to Corporate Income Tax and Non-Resident Withholding Tax obligations for the 2024 financial year, with review of certain aspects of prior periods within the statutory inspection timeframe (2021 to 2024 under the tax consolidation regime).

The inspection focuses, inter alia, on the deductibility of finance expenses arising from participative loans, the arm's length nature of interest charged on intra-group financing arrangements and the withholding tax treatment of dividends paid to non-resident entities.

As at the date of approval of these consolidated financial statements, the inspection remains ongoing and no proposed assessment has been issued. Management, supported by external tax advisers, considers that the Group has applied the relevant tax legislation appropriately and does not expect the outcome of the inspection to have a material adverse effect on the Group's financial position.

Accordingly, no provision has been recognised in respect of this matter.

11. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

(Euro 000's)	2025	2024
Parent company	(24,703)	(2,468)
Subsidiaries	110,280	34,206
Profit attributable to equity holders of the parent	85,577	31,738
Weighted number of ordinary shares for the purposes of basic earnings per share ('000)	140,759	140,404
Basic earnings per share (EUR cents/share)	60.8	22.6
Weighted number of ordinary shares for the purposes of diluted earnings per share ('000)	146,884	145,457
Diluted earnings per share (EUR cents/share)	58.3	21.8

At 31 December 2025 there are nil warrants and 6,026,334 options (Note 23) (31 December 2024: nil warrants and 5,423,666 options) which have been included when calculating the weighted average number of shares for FY2025.

12. Dividends

Cash dividends declared and paid during the year:

(Euro 000's)	2025	2024
Final dividends declared and paid	3,871	5,243
Interim dividends declared and paid	6,193	5,063
	10,064	10,306

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

FY 2024

A final dividend of US\$0.03 per ordinary share was proposed on 17 March 2025 for approval by shareholders at the 2025 AGM, which gave a total dividend for 2024 of US\$0.07 per share. Following the approval of Resolution 11 by the Company's shareholders at the 2025 AGM, which took place on 24 June 2025, the final dividend which (based on as exchange rates used for conversion after the record date) amounted to €5.2 million was approved and the dividend was paid on 23 July 2025.

FY 2025

On 11 August 2025, the Company's Board of Directors elected to declare an interim dividend of €0.044 (or US\$0.0510 or £0.0380) per share. The interim dividend was paid on 10 October 2025.

A final dividend of €0.065 per share has been proposed for approval by shareholders at the 2026 Annual General Meeting. If approved, this would give a total dividend for 2025 of €0.109 per share.

13. Property, plant and equipment

(Euro 000's)	Land and buildings	Right of use assets ⁽⁵⁾	Plant and equipment	Assets under construction ⁽³⁾	Deferred mining costs ⁽²⁾	Other assets ⁽¹⁾	Total
2025							
Cost							
At 1 January 2025	86,452	6,928	340,516	100,448	73,974	980	609,298
Additions ⁽⁷⁾	459	1,237	836	47,549	22,084	-	72,165
Increase in rehab. Provision (Note 27)	116	-	-	-	-	-	116
Reclassifications ⁽⁴⁾	-	-	2,895	7,013	-	19	9,927
Other transfer	-	-	-	-	-	-	-
Changes in rehab. provision	(775)	-	-	-	-	-	(775)
Disposals	-	-	-	(14)	-	(24)	(38)
31 Dec 2025	86,252	8,165	344,247	154,996	96,058	975	690,693
Depreciation							
At 1 January 2025	30,894	2,971	140,876	-	24,718	807	200,266
Charge for the year ⁽⁶⁾	5,370	562	28,356	-	8,378	52	42,718
Write-off	-	-	-	-	-	(20)	(20)
31 Dec 2025	36,264	3,533	169,232	-	33,096	839	242,964
Net book value at 31 December 2025	49,989	4,632	175,015	154,996	62,962	136	447,729
2024							
Cost							
1 January 2024	83,517	7,076	319,129	70,601	64,072	951	545,346
Adjustments	-	-	5	-	-	-	5
Opening adjusted	83,517	7,076	319,134	70,601	64,072	951	545,351
Additions	233	-	332	52,801	9,902	-	63,268
Increase in rehab. Provision (Note 27)	3,274	-	-	-	-	-	3,274
Reclassifications	-	-	21,050	(21,969)	-	29	(890)
Other transfer	(572)	-	-	(2,586)	-	-	(3,158)
Write-off	-	(148)	-	-	-	-	(148)
Advances	-	-	-	1,601	-	-	1,601
31 Dec 2024	86,452	6,928	340,516	100,448	73,974	980	609,298
Depreciation							
At 1 January 2024	24,702	2,531	113,547	-	19,063	764	160,607
Adjustments	-	-	1	-	-	-	1
Opening adjusted	24,702	2,531	113,548	-	19,063	764	160,608
Charge for the year	6,192	497	27,328	-	5,655	43	39,715
Write-off	-	(57)	-	-	-	-	(57)

31 Dec 2024	30,894	2,971	140,876	-	24,718	807	200,266
Net book value at 31 December 2024	55,558	3,957	199,640	100,448	49,256	173	409,032

⁽¹⁾ Includes motor vehicles, furniture, fixtures and office equipment which are depreciated over 5-10 years.

⁽²⁾ Capitalised stripping related to Cerro Colorado (note 2.9 (b))

⁽³⁾ Assets under construction at 31 December 2025 amounted to €155.0 million (2024: €100.4 million), this balance includes €49.3 million related to Project slope stabilization of Corta Atalaya and Concordia, €6.4 million are road deviation, €43.6 million Solar plant, €14.1 million sustaining capital, €22.1 million E-LIX plant and €15.7 million tailing dams capital expenditure. Additions include sustaining capital expenditures with an investment of €3.3 million (2024: €4.0 million), tailings dams project €15.8 million (2024: €14.8 million), E-LIX plant amounted to €0.2 million (€2.1 million in 2024), solar plant €2.6 million (2024, €8.4 million) and Concordia project spending €25.3 million (2024, €25.7 million) of which waste stripping activities at the San Dionisio area €24.2 million and new road €1.0 million.

⁽⁴⁾ Reclassifications of €9.0 million related to E-LIX project (see below Non-Monetary Exchange), €2.83 million to plant and equipment are associated with sustaining capex and €0.9 million related to low-rotation stock were reclassified to inventories (material supplies).

⁽⁵⁾ See leases in Note 28.

⁽⁶⁾ Depreciation has been affected due to the increase of Ore Reserves (note 2.9 (b)).

⁽⁷⁾ During the year ended 31 December 2025, the Group capitalised €0.7 million (2024: €1.0 million) of borrowing costs in accordance with IAS 23. The average effective interest rate applied was 1.35%. The tax deductibility of these capitalised borrowing costs will be realised over the asset's useful life through depreciation deductions, rather than as an immediate tax relief. The weighted average capitalisation rate applied to general borrowings during the year was 4.15% (2024: 4.49%).

Non-Monetary Exchange During the Year

On 25 September 2025, the Group executed a Payment and Credit Compensation Agreement with Lain to formalise the settlement and mutual compensation of payments and credits deriving from previous arrangements. As a result of this agreement, Lain transferred certain equipment to Atalaya in exchange for a partial settlement of the Industrial Loan previously classified as Prepayments (refer to Note 20). The transaction had commercial substance and fair values as at 31 December 2025 were reliably measurable as follows:

- **Fair value of prepayment given up:** €9.0m
- **Carrying amount of prepayment given up:** €9.0m
- **Fair value of equipment received:** €9.0m
- **Gain/(loss) recognised in profit or loss:** €nil

The equipment is classified under "Assets under construction" and will be depreciated over its estimated useful life once the Industrial Plant achieves commercial production.

The above fixed assets are mainly located in Spain.

E-LIX Project

In May 2019, after approximately four years of laboratory work, Atalaya initiated a partnership with Lain Technologies Ltd. for the development of a technology known as E-LIX. The E-LIX technology is an electrochemical extraction process developed by Lain that aims to enable the production of zinc and copper cathodes, as well as other derivatives of these metals, from complex sulphide ores.

In July 2020, Atalaya and Lain executed a Memorandum of Understanding ("MOU"), and have collaborated in the development of the E-LIX technology through several phases, summarised as

follows:

- **Phase 0:** Preliminary work and research.
- **Phase 1:** Construction and commissioning of the Pilot Plant.
- **Phase 2:** Operation of the Pilot Plant and feasibility studies.
- **Phase 3:** Construction and commissioning of an Industrial Scale Plant.

In accordance with the phases stated above, several agreements have been signed, including:

- Construction of the fixed assets required for the use of the E-LIX technology;
- Exclusivity agreements
- Funding agreements for the construction and the commissioning of the Pilot Plant
- Funding agreements for the construction and commissioning of the Industrial Plant;
- Operational agreements for the construction of the Industrial Plant; and
- Payment and Credit Compensation Agreement.

The Pilot Plant was constructed during 2021 and confirmed the technical feasibility of E-LIX, demonstrating the ability to selectively leach metals from concentrates and achieve high recovery rates for copper and zinc.

In December 2021, the Company's Board of Directors approved the construction and financing of a larger-scale demonstration plant with a significantly greater processing capacity than the Pilot Plant (the "Industrial Plant"). From the approval of the construction of the Industrial Plant in 2021, Lain Technologies has been working on constructing and ramping-up the Industrial Plant.

During 2025, Lain intermittently operated the Industrial Plant processing copper concentrates produced by Atalaya and producing a saleable mixed zinc hydroxide product.

While the Industrial Plant has demonstrated the technical functionality of the E-LIX technology at an industrial scale, production volumes have been significantly lower than originally designed resulting in challenging operational and financial results.

As of 31 December 2025, the Industrial Plant has not achieved the level of commercial production envisaged in the feasibility studies. Although the E-LIX technology has been performing broadly in line with the design parameters, certain operational bottlenecks have been identified that limit the plant's ability to achieve the originally designed production levels without additional capital investments.

As of 31 December 2025, Atalaya had the following balances relating to the Pilot Plant and the Industrial Plant arising from the agreements with Lain:

Description	Caption	Note	Net Asset Value (€k) 31 Dec 2025	Net Asset Value (€k) 31 Dec 2024
Pilot Plant	Non-current loan	19	-	2,627
Industrial Plant	Non-current receivables (prepayment)	20	-	29,662
Industrial Plant	PPE	13	22,118*	12,978
Convertible Loan	Non-Current loan	19	9,725	5,332
			31,823	50,619

*22k corresponding to capitalised interest

Impairment of E-LIX Technology Assets

The E-LIX technology has demonstrated positive results in the recovery of zinc and copper metal, as well as their derivatives, through the treatment of complex sulphide ores. If the E-LIX technology is proven to be financially viable at an industrial scale, the E-LIX technology has the potential to unlock the production of metals from complex ore and its use at an industrial scale could potentially significantly extend the life of mine at Proyecto Riotinto. E-LIX technology is owned by Laint Technology Ltd.

Atalaya has reviewed both external and internal indicators of impairment in assessing the

recoverability of the assets associated with the E-LIX technology (Note 3.4.).

Based on the information currently available, Atalaya has identified Lain's financial situation as an impairment indicator affecting the recoverability of certain assets, due to:

- (i) the possibility that Lain's financial constraints may limit the availability of capital investment required to address operational bottlenecks and the ability the Industrial Plant to achieve throughput volumes sufficient to operate in a financially viable manner; and
- (ii) the risk that Lain may not be able to meet its contractual obligations which could limit Atalaya's ability to recover outstanding balances.

Description	Nature of the Asset (recoverability)	Value at 31 Dec 2025 (€k)	Impairment (€k)	Net Asset Value at 31 December 2025 (€k)
Pilot Plant	Repayments from operational cash flow from the Industrial Plant	2,726	(2,726)	-
Industrial Plant – Loan	Repayments depends on the use of the technology and operation in the Industrial Plant	21,418	(21,418)	-
Industrial Plant - PPE	Recoverable asset through alternative use in Atalaya's processing plant (1)	22,098	-	22,098
Convertible Loan	Recoverable by 20% of equity in the E-LIX technology	9,725	-	9,725
		55,967	(24,144)	31,823

(1) Atalaya has carried out an analysis to identify assets that could be used in the existing processing plant other than the E-LIX technology.

14. Intangible assets

(Euro 000's)	Permits ⁽¹⁾	Licences, R&D and Software	Other intangible assets	Total
2025				
Cost				
At 1 January 2025	78,071	1,810	27,847	107,728
Additions	400	10	9,073⁽²⁾	9,483
Reclassification	52	28	(51)	29
31 Dec 2025	78,523	1,848	36,869	117,240
Amortisation				
At 1 January 2025	35,958	1,561	-	37,519
Charge for the year	4,771	31	-	4,802
31 Dec 2025	40,729	1,592	-	42,321
Net book value at 31 December 2025	37,794	256	36,869	74,919
2024				
Cost				
1 Jan 2024	81,199	8,758	-	89,957

Additions	-	-	17,771 ⁽³⁾	17,771
Reclassification	(3,128)	(6,948)	10,076	-
31 Dec 2024	78,071	1,810	27,847	107,728
Amortisation				
1 Jan 2024	32,080	8,480	-	40,560
Charge for the year	3,878	29	-	3,907
Reversal of impairment losses ⁽⁴⁾	-	(6,948)	-	(6,948)
31 Dec 2024	35,958	1,561	-	37,519
Net book value at 31 December 2024	42,113	249	27,847	70,209

⁽¹⁾ Permits include the mining rights of Proyecto Riotinto, Proyecto Touro, Masa Valverde and Ossa Morena. Additions correspond to the acquisition of new investigation permits.

⁽²⁾ Additions include capitalisation costs of Masa Valverde €4.4 million and €4.6 million of Cobre San Rafael.

⁽³⁾ Additions during 2024 included €16.7 million at fair value related to the interest to acquire the 80% of the shares of Cobre San Rafael, SL, as per the Shareholders' Agreement, including €16.5 million (note 26) and €0.2 million related to capitalisation expenses according with the policy of the Group once the Touro Project was granted as Strategic Industrial Project (PIE).

The ultimate recovery of balances carried forward in relation to areas of interest or all such assets including intangibles is dependent on successful development, and commercial exploitation, or alternatively the sale of the respective areas.

The Group conducts impairment testing in case there is an indicator of impairment. Atalaya assessed its assets concluding that there are no indicators of impairment for either Proyecto Riotinto or any other as of 31 December 2025 and 2024.

The Group's principal amortised intangible asset relates to the mining rights associated with Proyecto Riotinto. These rights are amortised on a units-of-production basis over the commercially recoverable Ore Reserves of the mine. The last Ore Reserves statement implies a mine life of approximately nine years.

Other mining-related intangible assets, including Proyecto Touro, Proyecto Masa Valverde and Proyecto Riotinto East, are not yet available for use and are therefore not amortised. Amortisation will commence once commercial production begins.

⁽⁴⁾ Reversal of Impairment on Intangible Assets

On 29 January 2020, the Company released an update on Proyecto Touro. The Company announced a recent press released by the regional government of Galicia ("Xunta de Galicia") in relation to the permitting process, where the General Directorate to the Mines, Energy and Industry Department announced a negative Environmental Impact Statement for Proyecto Touro.

As a result of the announcement made by the Xunta de Galicia, the Company re-assessed the uncertainty about the feasibility of obtaining the necessary permits for Touro, impacting the project's development prospects.

As a result of the re-assessment, the Company booked as at 31 December 2019 an impairment of €6.9 million related to the capitalised cost incurred by the Company to the date according to its accounting policy. However, the Company retained the value of the mining rights at €5.0 million, as these rights remained in force.

Since 2019, the Company actively worked with stakeholders to advance the permitting process and improve the regulatory framework for Proyecto Touro. In 2024, the permitting and operational environment for the project improved significantly, leading to a reassessment of its technical and financial feasibility.

A key development was the designation of Proyecto Touro as a Strategic Industrial Project ("PIE") by the Xunta de Galicia. This designation granted priority status, accelerated administrative procedures, and reduced regulatory uncertainties, removing the primary risk factor that led to the initial impairment.

In compliance with IAS 36 – Impairment of Assets, the Company conducted an impairment test as at 31 December 2024, concluding that the conditions that had led to the impairment in 2019 no longer existed. The impairment test was carried out by evaluating both technical and financial feasibility,

confirming that the project was in a position to generate economic benefits in line with initial expectations.

The impairment assessment considered:

- Technical viability, based on updated Mineral Resource and Ore Reserve estimates, engineering reports, and environmental compliance advancements.
- Financial feasibility, including updated cash flow projections, capital expenditure forecasts, and a revised financing strategy that had demonstrated the project's ability to meet investment requirements.
- Projected long-term copper prices, in line with industry benchmarks and independent market forecasts.
- Capital and operating cost projections, supported by recent feasibility studies

To further validate the assessment, an independent third-party valuation of the mining assets was conducted. The valuation confirmed that the estimated fair value of the project was higher than the total carrying amount of the intangible assets associated with Proyecto Touro, reinforcing the recoverability of the asset.

As a result, the impairment loss of €6.9 million was fully reversed as at 31 December 2024, reflecting the improved expectations for the project and supporting the recoverability of the asset in accordance with IAS 36 – Impairment of Assets.

This assessment demonstrated that there had been no doubts regarding the technical and financial viability of Proyecto Touro as at the reporting date, further supporting the impairment reversal.

15. Non-current assets

During 2024, the Group entered into agreements with Mineral Prospektering i Sverige AB ("MPS") in relation to the Skellefte Belt Project and the Rockliden Project, both located in established volcanogenic massive sulphide ("VMS") districts known for their potential mineral resources.

The Group entered into earn-in agreements with MPS to acquire an initial 75% interest in these projects, structured as follows:

- An initial funding commitment of US\$3 million per project, to be invested over a 24-month period.
- Stage 1 option to provide additional funding of US\$3 million per project to secure a 51% ownership interest.
- Stage 2 option to provide additional funding of US\$6 million per project, and complete scoping studies, to secure a 75% ownership interest.

During 2025, a total of €3.8 million (2024: €1.2 million) in funding was provided to MPS in relation to the exploration campaigns.

The following table summarises the movement in exploration and evaluation assets during the year:

(Euro 000's)	2025	2024
Opening balance as of 1 January	-	-
Additions during the year	-	1,205
Impairment losses	-	(1,205)
Closing balance as of 31 December	-	-

During 2025 this investment was recognised as expenses due to the early exploration stage. As of 31 December 2024, the carrying amount of exploration and evaluation assets was reviewed for impairment. Following management's assessment, the Company recognised a full impairment of €1.2 million, as these projects remain in the early exploration stage and are still far from obtaining operating mining permits.

16. Investment in joint venture

Company name	Principal activities	Country of incorporation	Effective proportion of shares held at 31 December 2015
Recursos Cuenca Minera S.L.	Exploitation of tailing dams and waste areas resources	Spain	50%

In 2012, ARM initiated a 50/50 joint venture with Rumbo to assess and leverage the potential of class B resources within the tailings dam and waste areas at Proyecto Riotinto. Pursuant to the joint venture agreement, ARM served as the operator and reimbursed Rumbo for the expenses linked to the classification application for the Class B resources. ARM covered the initial expenses for a feasibility study, with a maximum funding limit of €2.0 million. Subsequent costs were shared by the joint venture partners in accordance with their respective ownership interests.

The Group's significant aggregate amounts in respect of the joint venture are as follows:

(Euro 000's)	31 Dec 2025	31 Dec 2024
Intangible assets	94	94
Trade and other receivables	4	4
Cash and cash equivalents	15	15
Trade and other payables	(114)	(115)
Net assets	(1)	2
Revenue	-	-
Expenses	-	-
Net profit/(loss) after tax	-	-

17. Deferred tax

(Euro 000's)	Consolidated statement of financial position		Consolidated income statement	
	2025	2024	2025	2024
Deferred tax asset				
At 1 January	15,085	11,282	-	-
Deferred tax income relating to the origination of temporary differences (Note 10)	2,725	6,297	(2,725)	(6,297)
Deferred tax asset due to losses available against future taxable income overprovision previous years	-	34	-	-
Deferred tax expense relating to reversal of temporary differences (Note 10)	(1,970)	(2,528)	1,970	2,528
At 31 December	15,840	15,085		
Deferred tax income/(expense) (Note 10)			(755)	(3,769)

Deferred tax assets are recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available in the future against which the unused tax losses/credits can be utilised. The Group held tax losses amounted to €7.2 million in Spain (2024: €9.7 million).

18. Inventories

(Euro 000's)	31 Dec 2025	31 Dec 2024
Finished products	3,799	19,732
Materials and supplies	25,087	25,540
Work in progress	1,985	3,890
	30,871	49,162

As at 31 December 2025, copper concentrate produced and not sold amounted to 4,050 tonnes (FY2024: 21,815 tonnes), due to timing on shipments. Accordingly, the inventory for copper concentrate was €3.8 million (FY2024: €19.7 million). During the year 2025 the Group recorded cost of sales amounting to €280.2 million (FY2024: €242.2 million).

Materials and supplies relate mainly to machinery spare parts. Work in progress represents ore stockpiles, which is ore that has been extracted and is available for further processing.

19. Loans

(Euro 000's)	2025	2024
Non-current loans		
Loans	12,451	2,627
Impairment loss on loans	(2,726)	-
	9,725	2,627
Current loans		
Loans	20	5,352
	20	5,352

Non-current loans relate to the loans with Lain Technologies regarding the Pilot Plant and convertible loan agreement. That balance includes principal of €2.3 million plus €0.3 million of interest accrued of Pilot Plant (Note 13) with Lain Technologies S.A. and €9.3 million relating to the Convertible Loan with Lain Technologies Ltd plus €0.4 of interest accrued (Note 3.2. and Note 13).

In relation to the loan agreement with Lain Technologies for the Pilot Plant, Atalaya has recognised a full impairment of this balance, as recovery is not expected in the short term (Note 13). This balance bears interest at EURIBOR 12M + 2% per annum.

On 30 September 2024 the Group signed a convertible loan agreement, granting a credit facility of up to €10 million with a fixed term until 31 December 2025. As at 31 December 2025, the loan has been classified as non-current. This balance bears interest at EURIBOR 3M + 2% per annum.

20. Trade and other receivables

(Euro 000's)	2025	2024
Non-current trade and other receivables		
Deposits	902	611
Loans	109	141
Prepayments for service contract ⁽¹⁾	-	29,662
Other non-current receivables	111	2,838

	1,122	33,252
Current trade and other receivables		
Trade receivables at fair value – <i>subject to provisional pricing</i>	5,484	9,727
Trade receivables from shareholders at fair value – <i>subject to provisional pricing</i> (Note 31.5)	15,770	1,042
Deposits	35	35
VAT receivable	12,739	20,898
Tax advances	71	-
Prepayments	4,736	4,507
Other current assets	2,278	654
	41,113	36,863
Allowance for expected credit losses	-	-
Total trade and other receivables	42,235	70,115

⁽¹⁾ On 28 January 2022 the Company signed a loan for €15 million and on 8 May 2023 an amendment up to €20 million to the construction of the first phase of the industrial-scale plant ("Phase I") that utilises the E-LIX System. This loan was granted for a fixed term of 10 years since the start of commercial production. This balance includes capitalised interest, and repayment will be made through the use of the E-LIX technology. On 25 September 2025, a payment and set-off agreement was executed for a total amount of €9.0 million. The agreement was settled through the acquisition of assets by Atalaya, resulting a non. monetary exchanges. At year-end, the Group reassessed its investment in the E-LIX project and, as a result, recognised an impairment of the full balance of Prepayments for service contract, amounting of €21.4 million (Refer to note 13).

Trade receivables are shown net of any interest applied to prepayments. Payment terms are aligned with offtake agreements and market standards and generally are 7 days on 90% of the invoice and the remaining 10% at the settlement date which can vary between 1 to 5 months. The fair value of trade and other receivables approximate their book values.

Non-current deposits included €250k (€250k at 31 December 2024) as a collateral for bank guarantees, which was recorded as restricted cash (or deposit) in Proyecto Riotinto and €334k related to Proyecto Masa Valverde.

21. Other Financial assets

(Euro 000's)	31 Dec 2025	31 Dec 2024
Financial asset at fair value through OCI (see (a) below)	1,162	1,124
Total current	61	23
Total non-current	1,101	1,101

a) Financial assets at fair value through OCI

(Euro 000's)	31 Dec 2025	31 Dec 2024
At 1 January	1,124	1,131
Fair value change recorded in equity (Note 24)	38	(7)
At 31 December	1,162	1,124

Company name	Principal activities	Country of incorporation	Effective proportion of shares held at 31 December 2025
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Explotaciones Gallegas del Cobre SL	Exploration company	Spain	12.5%
KEFI Minerals Plc	Exploration and development mining company listed on AIM	UK	0.04%
Prospech Limited	Exploration company	Australia	0.09%

The Group decided to recognise changes in the fair value through Other Comprehensive Income ('OCI'), as explained in Note 2.12.

As per Note 2.29, the Group's investment in Explotaciones Gallegas del Cobre S.L., amounting to €1,101k, is classified as a Level 3 financial instrument, as its fair value is based on unobservable inputs.

The fair value is determined using valuation techniques that reflect the asset's nature and the absence of an active market. The primary methodology applied is a market-based approach, considering comparable transactions within the mining exploration sector. Where such data is unavailable, management applies an adjusted cost approach, incorporating estimates of resource potential and exploration progress.

The valuation is reviewed periodically, considering changes in market conditions, commodity prices, and exploration results.

22. Cash and cash equivalents

(Euro 000's)	31 Dec 2025	31 Dec 2024
Unrestricted cash and cash equivalents at Group level	146,505	43,184
Unrestricted cash and cash equivalents at Operation level	19,801	9,694
Consolidated cash and cash equivalents	166,306	52,878

Cash and cash equivalents denominated in the following currencies:

(Euro 000's)	31 Dec 2025	31 Dec 2024
Euro – functional and presentation currency	104,902	37,299
Great Britain Pound	142	70
United States Dollar	61,262	15,509
	166,306	52,878

23. Share capital

Issue Date	Price (£)	Details	Shares 000's	Share Capital €'000	Share premium €'000	Total €'000
1 January 2024			140,759	12,668	321,856	334,524
9-Feb-24	3.090	Exercised share options ^(a)	20	3	71	74
7-May-24	2.015	Exercised share options ^(b)	67	6	151	157
22-May-24	2.015	Exercised share options ^(c)	600	53	1,368	1,421
27-Jun-24	4.160	Exercised share options ^(d)	120	11	570	581
27-Jun-24	3.575	Exercised share options ^(d)	36	3	149	152
27-Jun-24	3.270	Exercised share options ^(d)	36	3	136	139
26- Dec 24		Capital increase*		272		272
26- Dec 24		Capital decrease*	-	(1,279)	-	(1,279)

31-Dec-2024	140,759	12,668	321,856	334,524
At 31 December 2024	140,759	12,668	321,856	334,524
1 January 2025	140,759	12,668	321,856	334,524
At 31 December 2025	140,759	12,668	321,856	334,524

* Decrease of capital from 7.5p to €0.09 per share

Authorised capital

The Company's authorised share capital was 200,000,000 ordinary shares until the re-domiciliation to Spain. After the re-domiciliation of Atalaya to Spain in 2024, in order to comply with Spanish law, redenominate it to euros, thereby increased the share capital (represented by 140,759,043 ordinary shares) to 12,395,853.02 euros, instead of 10,556,928.2 GBP, and the nominal value per ordinary share to 0.088065 EUR instead of 0.075 GBP (all applying the exchange rate of 0.85165 EUR/GBP). In order to round the nominal value of the shares following the Cross-Border Transformation, the shareholders agreed to increase the Company's share capital from €12,395,853.02, by €272,460.85. This resulted in an increase of €0.001935 in the nominal value of each share, thereby setting the nominal value per share at €0.09. The share capital increase was carried out using distributable reserves.

Issued capital

- On 9 February 2024, the Company announced that it has issued 20,000 ordinary shares of 7.5p in the Company ("Option Shares") pursuant to an exercise of share options by an employee.
- On 7 May 2024, Atalaya announced that it has issued 66,500 ordinary shares of 7.5p in the Company ("Option Shares") pursuant to an exercise of share options by an employee.
- On 22 May 2024, the Company announced that it has issued 600,000 ordinary shares of 7.5p in the Company ("Option Shares") pursuant to an exercise of share options by a person discharging managerial responsibilities ("PDMR").
- On 27 June 2024, Atalaya announced that it has issued 193,334 ordinary shares of 7.5p in the Company ("Option Shares") pursuant to the exercise of share options by an employee. These options were issued as part of the Company's long term incentive plan.

No shares were issued in FY2025.

The Company's share capital at 31 December 2025 is 140,759,043 ordinary shares of €0.09 each.

24. Other reserves

(Euro 000's)	Share option	Bonus share	Depletion factor ⁽¹⁾	FV reserve of financial assets at FVOCI ⁽²⁾	Non-distributable reserve ⁽³⁾	Distributable reserve ⁽⁴⁾	Total
1 Jan 2024	11,026	208	37,778	(1,156)	8,316	14,291	70,463
Recognition of depletion factor	-	-	8,949	-	-	-	8,949
Recognition of non-distributable reserve	-	-	-	-	142	-	142
Recognition of distributable reserve	-	-	-	-	-	7,848	7,848
Recognition of share based payments	1,379	-	-	-	-	-	1,379
Change in fair value of financial assets at fair value through OCI (Note 21)	-	-	-	(7)	-	-	(7)
Other changes in reserves	464	-	-	-	-	(464)	-
31 Dec 2024/1 Jan 2025	12,869	208	46,727	(1,163)	8,458	21,675	88,774
Recognition of non-distributable reserve	-	-	-	-	1	-	1
Recognition of distributable reserve	-	-	-	-	-	13	13

Recognition of share based payments	428	-	-	-	-	-	428
Change in fair value of financial assets at fair value through OCI (Note 21)	-	-	-	39	-	-	39
31 Dec 2025	13,297	208	46,727	(1,124)	8,459	21,688	89,255

⁽¹⁾ Depletion factor reserve

During the twelve month period ended 31 December 2025, the Group has recognised €nil million (FY2024: addition of €8.9 million) as a depletion factor reserve as per the Spanish Corporate Tax Act.

⁽²⁾ Fair value reserve of financial assets at FVOCI

The Group decided to recognise changes in the fair value of certain investments in equity securities in OCI. These changes are accumulated within the FVOCI reserve under equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

⁽³⁾ Non-distributable reserve

As required by the Spanish Corporate Tax Act, the Group classify a non-distributable reserve of 10% of the profits generated by the Spanish subsidiaries until the reserve is 20% of share capital of the subsidiary, at the end of 2025 the balance is for an amount of €8.3 million.

⁽⁴⁾ Distributable reserve

This heading includes the transfer from income for the year attributable to the parent for 2025.

Share options

Details of share options outstanding as at 31 December 2025:

Grant date	Expiry date	Exercise price £	Share options
30 Jun 2020	30 Jun 2030	1.475	410,000
24 Jun 2021	23 Jun 2031	3.090	838,000
23 Jun 2022	30 Jun 2027	3.575	910,000
22 May 2023	21 May 2028	3.270	1,040,000
11 June 2024	10 Jun 2029	4.135	1,078,334
20 Dec 2024	19 Dec 2029	3.335	150,000
9 Jul 2025	9 Jul 2030	4.603	1,600,000
Total			<u>6,026,334</u>

	Weighted average exercise price £	Share options
At 1 January 2025	3.343	5,423,666
Granted options during the year	4.603	1,600,000
Options executed during the year	3.282	(907,333)
Options expired during the year	3.845	(89,999)
31 December 2025	3.676	<u>6,026,334</u>

Pursuant to the amendment to the LTIP 2020 approved by the Board, during 2025 the Group reassessed the settlement mechanism applicable to certain options granted to non C-Suite employees. As a result of this reassessment, certain options that had previously been accounted for as equity-settled share-based payments were reclassified as cash-settled share-based payments.

In accordance with IFRS 2, at the date of modification the cumulative amount previously recognised in equity in respect of those awards was reclassified from the share-based payment reserve to a liability representing the obligation to settle the awards in cash. This reclassification was recognised directly within equity. The liability was measured at fair value at the modification date. Any difference between the fair value of the liability and the amount reclassified from equity was recognised in profit or loss as a share-based payment expense.

This reassessment occurred in two stages during the year:

- On 1 January 2025, relating to the options held by certain employees. The cumulative amount previously recognised in equity of €0.2 million was reclassified and the liability was remeasured at fair value at that date.
- On 9 September 2025, the Group concluded that the options granted to the remaining non C-Suite employees were expected to be settled in cash. The cumulative amount previously recognised in share based reserve of €1.2 million was therefore reclassified to liabilities and the awards were remeasured at fair value at that date. As a result of this remeasurement, an additional amount of €2.1 million was recognised, which has been recorded directly in equity.

Following these modifications, the liability relating to cash-settled share-based payments is subsequently remeasured at fair value at each reporting date, with changes in fair value recognised in profit or loss.

As at 31 December 2025, the Group recognised a liability for share-based payments expected to be settled in cash of €5.2 million (see Nota 26).

During 2025, a total of 907,333 options were exercised and settled in cash, resulting in cash payments of €2.5 million (see Nota 26). Of this amount, €1.0 million relates to options exercised prior to the date from which management concluded that an obligation to settle options in cash had arisen for non C-Suite employees and was therefore recognised directly against equity (share-based payment reserve). The remaining €1.5 million relates to awards accounted for as cash-settled share-based payments following that assessment

The remaining portion of the LTIP 2020 relating to C-Suite participants continues to be accounted for as equity-settled, with the corresponding amounts recognised within the share-based payment reserve in equity.

The estimated fair values of the options were calculated using the Black Scholes option pricing model. The inputs into the model and the results are as follows:

Grant Date	Weighted average share price £	Weighted average exercise price £	Expected volatility	Expected life (years)	Risk Free rate	Expected dividend yield	Estimated Fair Value £
23 Feb 2017	1.440	1.440	51.8%	5	0.6%	Nil	0.666
29 May 2019	2.015	2.015	46.9%	5	0.8%	Nil	0.66
8 July 2019	2.045	2.045	46.9%	5	0.8%	Nil	0.66
30 June 2020	1.475	1.475	50.32%	10	0.3%	Nil	0.60
23 June 2021	3.090	3.090	50.91%	10	0.7%	Nil	0.81
26 Jan 2022	4.160	4.160	49.18%	10	1.149%	Nil	1.12
22 June 2022	3.575	3.575	34.12%	5	2.748%	Nil	0.71
22 May 2023	3.270	3.270	38.15%	5	4.219%	Nil	0.88
11 June 2024	4.135	4.135	39.28%	5	4.149%	2.13%	0.93
22 Dec 2024	3.335	3.335	39.28%	5	4.322%	2.13%	0.79
9 July 2025	4.603	4.603	37.6%	5	3.96%	1.15%	1.66

The volatility has been estimated based on the underlying volatility of the price of the Company's shares in the preceding twelve months.

Conditional share awards

As agreed on 24 April 2025, the Company granted conditional share awards under the Atalaya LTIP 2020 to Directors and PDMRs. These awards are subject to the achievement of performance conditions over a three-year period and their continuing employment at that time, after which the shares are granted. However, they remain subject to a two-year holding period, meaning the beneficiary may not fully realise or dispose of the shares until the end of year five.

The conditional share awards granted during the period are summarised below:

Name	Role	Maximum number of shares awarded	Grant date	Vesting schedule
Alberto Lavandeira	Chief Executive Officer	218,000	23/04/2025	Vesting of 3 years, subject to performance
César Sánchez	Chief Financial Officer (PD MR)	113,091	23/04/2025	Same as above
Enrique Delgado	Corporate Institutional Adviser (Former GM Riotinto)	112,431	23/04/2025	Same as above
		443,522		

No consideration was paid for the grant of these awards. Vesting is conditional on performance criteria and continued employment, as detailed in the Directors' Remuneration Report section of this consolidated financial statements. The awards are subject to malus and clawback provisions.

25. Non-controlling interest

(Euro 000's)	2025	2024
Opening balance	2,154	(9,104)
Share of total comprehensive income for the year	-	822
Revaluation of NCI	(214)	10,436
Closing balance	1,940	2,154

The non-controlling interest corresponds to the partner involved in Sociedad Cobre San Rafael, the owner of the Touro project.

Change of controlling interest

Atalaya held an initial 10% stake in Cobre San Rafael S.L., which, under normal circumstances, would classify it as a non-controlling investment with limited influence over the company's operations. However, to determine of the effective control of the company it has been considered the substantive contractual arrangements between Atalaya and the other shareholders according to note 2.3.

As a result of the changes in project Touro that have occurred during the current year (note 1), Group considers it likely that phases 2, 3 and 4 of the Touro project will be completed, and therefore, it has been recorded the associated impact in Non-controlling interest, according with the shareholders agreement, due to the impact that the project's phase change has on the responsibilities agreed between the parties as outlined in notes 1, as well as the allocation of the intangible asset that also emerged during the 2024 fiscal year.

The significant financial information with respect to the subsidiary before intercompany eliminations as at and for the twelve-month period ended 31 December 2025 and 2024 is as follows:

(Euro 000's)	2025	2024
Non-current assets	20,284	15,322
Current assets	1,918	1,636
Non-current liabilities	(27,148)	(21,624)
Grants	(167)	(177)
Current liabilities	(1,771)	(960)
Equity	5,803	9,915
(Profit)/loss for the year and total comprehensive income	1,081	(4,112)

26. Trade and other payables

(Euro 000's)	31 Dec 2025	31 Dec 2024
Non-current trade and other payables		
Other non-current payables	12,506	12,492
Shared-based payment non- financial liability	225	
Government grant	1,411	1,491
	14,142	13,983
Current trade and other payables		
Trade payables	87,938	78,965
Trade payables to shareholders (Note 31.4)	155	109
Share based payment non-financial liability	6,565	-
Accruals	1,873	2,505
VAT payable	-	-
Other	9,586	8,511
	106,117	90,090

As of 31 December 2025, other non-current payables include €9.7 million reflecting the liabilities related to the potential acquisition of 80% of the shares of Cobre San Rafael, SL, as per the Shareholders' Agreement (note 14). This amount represents the present value of payments expected to become payable upon the commencement of commercial production at the project. In addition, there are €2.8 million related with the acquisition of Atalaya Masa Valverde SL formerly Cambridge Minería España, SL and Atalaya Ossa Morena SLU formerly Rio Narcea Nickel, SL (note 1).

Other current payables include €6.8 million also related to the potential increase in the stake of Cobre San Rafael, S.L., under the Shareholders' Agreement (note 14). This amount has been classified as current, as the likelihood of reaching the associated milestone is high, making settlement probable within 2026.

Trade payables are mainly for the acquisition of materials, supplies and other services. These payables do not accrue interest and no guarantees have been granted. The fair value of trade and other payables approximate their book values.

The Group's exposure to currency and liquidity risk related to liabilities is disclosed in Note 3.

Trade payables are non-interest-bearing and are normally settled on 60-day terms.

Share-based payment liabilities

At 31 December 2025, the Group recognised share-based payment liabilities totalling €6.8 million in respect of cash-settled share-based payment arrangements.

These liabilities comprise:

- €1.6 million relating to the 2025 Deferred Cash Incentive Plan, under which participants receive units that are economically linked to the Company's share price and that are settled exclusively in cash; and
- €5.2 million relating to share options granted to non C-Suite employees under the LTIP 2020 that are accounted for as cash-settled share-based payments (833,195 options).

The liabilities represent the fair value of outstanding awards at the reporting date and will be remeasured at each reporting date until settlement, with changes recognised in profit or loss in accordance with IFRS 2.

2025 Deferred Cash Incentive Plan

On 9 March 2026 the Company formally approved the 2025 Deferred Cash Incentive Plan and granted a number of market-value share-linked units to certain non C-Suite employees. The plan has an effective date of 9 July 2025 and intent to replace the annual share option grants historically awarded to non C-Suite employees under the LTIP 2020 up to and including 2024.

Under the plan, participants receive units that are economically linked to the Company's share price but are settled exclusively in cash. Each unit represents a conditional right to receive a cash payment equal to the excess of the market price of a share over the exercise price.

The exercise price was set at £4.6035 per share, corresponding to the average of the mid-market closing price of the Company's shares over the five dealing days preceding 9 July 2025.

The units vest in three tranches: one third vested on the grant date, one third will vest on 9 July 2026 and the remaining one third will vest on 9 July 2027, subject to continued employment.

Vested units may be exercised until 9 July 2030. Upon exercise, participants receive a cash payment determined by reference to the market price of the Company's shares.

Cash settlement of LTIP 2020 options granted to non C-Suite employees

In May 2025, the Board approved an amendment to the LTIP 2020 introducing a mechanism that allows the Company, at its discretion, to settle certain option exercises in cash instead of issuing shares.

Based on the settlement practices observed during the year and the assessment performed by management, from 9 September 2025 share options granted to non C-Suite employees are accounted for as cash-settled share-based payments in accordance with IFRS 2. This date reflects the point at which the Group's settlement practice and the Board's authorisations established an obligation to settle certain option exercises in cash.

As a result, the Group recognised a liability of €5.2 million at 31 December 2025 representing the fair value of the outstanding awards relating to these options.

The liability is measured at fair value at each reporting date and will continue to be remeasured until settlement, with changes recognised in profit or loss.

Information on the average period of payment to suppliers in Spain

The disclosures made in relation to the average period of payment for trade payables in Spain are presented below in accordance with that established in applicable law.

Average payment days to suppliers

Days	2025	2024
Average payment days for payment to suppliers	57	28
Ratio of transactions paid	62	31
Ratio of transactions outstanding for payment	28	15

(€m)	2025	2024
Total payments made	259.2	187.8
Total payments made within the legal term	160.3	115.3
<i>Percentage over total payments</i>	62%	80%
Total payments outstanding	44.0	50.8

Number of invoices	2025	2024
Number of invoices within the legal term ⁽¹⁾	8,519	7,013

Percentage over total invoices

65%

85%

27. Provisions

(Euro 000's)	Other provisions	Legal costs	Rehabilitation costs	Total
31 Dec 2023/1 Jan 2024	750	227	26,691	27,668
Additions	-	230	-	230
Use of provision	-	(62)	(944)	(1,006)
Transfer to other non-current payables	(750)	-	-	(750)
Increase of provision	-	-	3,274	3,274
Finance cost (Note 9)	-	-	828	828
31 Dec 2024/1 Jan 2025	-	395	29,849	30,244
Additions	1,197	-	116	1,313
Use of provision	-	(150)	(819)	(969)
Revision of estimates	-	-	(775)	(775)
Finance cost (Note 9)	-	-	796	796
31 Dec 2025	1,197	245	29,167	30,609

(Euro 000's)	2025	2024
Non-Current	28,764	29,328
Current	1,845	916
Total	30,609	30,244

Other provisions – Property tax (IBI) contingency

During 2025, the Huelva Cadastral Office notified Atalaya Riotinto Minera, S.L.U., subsidiary of the Group, of a revision of the cadastral value of certain properties from €5.2 million to €90.1 million, effective from 30 December 2021. The Group has challenged this revision and an economic-administrative appeal has been filed before the Regional Economic-Administrative Court of Andalusia, which remains pending resolution at the date of approval of these financial statements.

Following the revision, additional property tax assessments relating to the years 2022 to 2025 amounting to €3.4 million were issued by the Huelva Provincial Tax Authority. These assessments were paid in January 2026 in order to avoid late payment interest while the Group continues to challenge the underlying cadastral valuation.

The maximum potential exposure associated with this matter is estimated at approximately €4.4 million. Based on the assessment performed by management and its external advisors, the Group has recognised a provision of €1.2 million, included within “Other provisions”, representing management’s best estimate of the probable obligation at the reporting date. The final outcome of this matter remains uncertain and may differ from the estimate recorded.

Rehabilitation provision

Rehabilitation provision represents the estimated cost required for adequate restoration and rehabilitation upon the completion of production activities. These amounts will be settled when rehabilitation is undertaken, generally over the project’s life.

During 2020, Management engaged an independent consultant to review and update the rehabilitation liability. The updated estimation includes the expanded capacity of the plant and its impact on the mining project.

The discount rate used in the calculation of the net present value of the liability as at 31 December 2025 was 3.67% (2024: 3.23%), which is the 15-year Spain Government Bond rate for 2025. An inflation rate of 2%-2.90% (2024: 2%-2.80%) is applied on annual basis. *The effect of both rates included in the revision of estimates above.

The expected payments for the rehabilitation work are as follows:

(Euro 000 's)	Between 1 – 5 Years	Between 6 – 10 Years	More than 10 years
Expected payments for rehabilitation of the mining site, discounted	6,112	19,304	3,751

Legal provision

The Group has been named as defendant in several legal actions in Spain, the outcome of which is not determinable as at 31 December 2025. Management has reviewed individually each case and made a provision of €245k (€395k in 2024) for these claims, which has been reflected in these consolidated financial statements.

28. Leases

(Euro 000's)	31 Dec 2025	31 Dec 2024
Non-current		
Leases	3,834	3,320
	3,834	3,320
Current		
Leases	639	481
	639	481

The Group entered into lease arrangements for the renting of land and a warehouse which are subject to the adoption of all requirements of IFRS 16 Leases (Note 2.2). The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets.

Amounts recognised in the statement of financial position and profit or loss

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

(Euro 000's)	Right – of-use assets Lands and buildings	Lease liabilities
As at 1 January 2025	3,957	3,801
Additions	1,237	1,237
Depreciation expense	(562)	-
Interest expense	-	21
Payments	-	(586)
As at 31 December 2025	4,632	4,473

The amounts recognised in profit or loss, are set out below:

(Euro 000's)	Twelve months ended 31 Dec 2025	Twelve months ended 31 Dec 2024
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As at 31 December

Depreciation expense of right-of-use assets	(562)	(440)
Interest expense on lease liabilities	(21)	(30)
Total amounts recognised in profit or loss	(583)	(470)

The Group recognised rent expense from short-term leases (Note 6).

The duration of the land and building lease is for a period of twelve years. Payments are due at the beginning of the month escalating annually on average by 1.5%. At 31 December 2025, the remaining term of this lease is eight years. (Note 2).

Present value of minimum lease payments due	31 Dec 2025	31 Dec 2024
	€'000	€'000
Within one year	639	481
2 to 5 years	2,464	1,856
Over 5 years	1,370	1,464
	4,473	3,801

Minimum lease payments due	31 Dec 2025	31 Dec 2024
	€'000	€'000
Within one year	654	518
2 to 5 years	2,615	2,075
Over 5 years	1,524	1,729
	4,793	4,322

(Euro 000's)	Lease liability
Balance 1 January 2025	3,801
Additions	1,237
Interest expense	21
Lease payments	(586)
Balance at 31 Dec 2025	4,473
Balance at 31 Dec 2025	
- Non-current liabilities	3,834
- Current liabilities	639
	4,473

29. Borrowings

(Euro 000's)	2025	2024
Non-current borrowings		
Credit facilities - variable interest	5,708	10,866
	5,708	10,866
Current borrowings		
Credit facilities - variable interest	38,638	6,921
	38,638	6,921

The Group had credit approval for unsecured facilities totalling €97.2 million (€97.4 million at 31 December 2024). During 2025, Atalaya drew down some of its existing credit facilities to finance the solar plant, payable amount of €9.0 million at 31 December 2025 (2024: €13.9 million) and for the construction of a new part of the processing plant payable amount of €1.9 million at 31 December

2025 (2024: €2.8 million). The increase in short term borrowings at the end of the period is the result of temporary credit facility drawdowns to finance the settlement of an intercompany loan.

Margins on borrowings with variable interest rates in 2025, usually 3 months EURIBOR and 12 months EURIBOR, range from 0.90% to 1.93% with an average margin of 1.25%.

At 31 December 2025, the Group had used €44.4 million of its facilities and had undrawn facilities of €43.8 million.

29(a) Net cash reconciliation

Reconciliation of Liabilities Arising from Financing Activities

In accordance with IAS 7 paragraph 44D, the reconciliation below provides information on changes in liabilities arising from financing activities, including both cash and non-cash changes.

€'000	2025	2024
Cash and cash equivalents	166,306	52,878
Borrowings – repayable within one year	(38,638)	(6,921)
Borrowings – repayable after one year	(5,708)	(10,866)
Lease	(4,473)	(3,801)
Net cash	117,487	31,290

€'000	Cash	Borrowings	Lease	Total
Net cash as at 1 January 2024	121,007	(66,687)	(4,378)	49,942
Financing cash flows	(69,931)	-	-	(69,931)
Proceeds from borrowings	-	(3,000)	-	(3,000)
Repayment of borrowings	-	51,900	519	52,419
Foreign exchanges adjustments	1,802	-	-	1,802
Other changes				
Interest paid	-	1,131	30	1,161
Interest expense	-	(1,131)	(30)	(1,161)
Other changes	-	-	58	58
Net cash as at 31 December 2024	52,878	(17,787)	(3,801)	31,290
Financing cash flows	120,857	-	-	120,857
Proceeds from borrowings	-	(37,916)	-	(37,916)
Repayment of borrowings	-	11,357	565	11,922
Foreign exchanges adjustments	(7,429)	-	-	(7,429)
Other changes				
Interest paid	-	1,238	21	1,259
Interest expense	-	(1,238)	(21)	1,259
Other changes (Note 28)	-	-	(1,237)	(1,237)
Net cash as at 31 December 2025	166,306	(44,346)	(4,473)	117,487

30. Acquisition, incorporation and disposals of subsidiaries

2025

Acquisition and incorporation of subsidiaries

There were no acquisition or incorporation of subsidiaries during the year.

Disposals of subsidiaries

There were no disposals of subsidiaries during the year.

Wind-up of subsidiaries

There were no disposals of subsidiaries during the year.

2024

Acquisition and incorporation of subsidiaries

There were no acquisition or incorporation of subsidiaries during the year.

Disposals of subsidiaries

There were no disposals of subsidiaries during the year.

Wind-up of subsidiaries

There were no disposals of subsidiaries during the year.

31. Group information and related party disclosures

31.1 Information about subsidiaries

These audited consolidated financial statements include:

Subsidiary companies	Parent	Principal activity	Country of incorporation	Effective proportion of shares held
Atalaya Touro (UK) Ltd	Atalaya Mining Copper SA	Holding	United Kingdom	100%
Atalaya Financing Ltd	Atalaya Mining Copper SA	Financing	Cyprus	100%
Atalaya MinasdeRiotinto Project (UK) Ltd	Atalaya Mining Copper SA	Holding	United Kingdom	100%
EMED Marketing Ltd	Atalaya Mining Copper SA	Trading	Cyprus	100%
Atalaya Riotinto Minera S.L.U.	Atalaya MinasdeRiotinto Project (UK) Ltd	Production	Spain	100%
Eastern Mediterranean Exploration and Development S.L.U.	Atalaya MinasdeRiotinto Project (UK) Ltd	Dormant	Spain	100%
Cobre San Rafael, S.L. ⁽¹⁾	Atalaya Touro (UK) Ltd	Exploration	Spain	10%
Recursos Cuenca Minera S.L.U.	Atalaya Riotinto Minera SLU	Dormant	Spain	J-V
Fundacion Atalaya Riotinto	Atalaya Riotinto Minera SLU	Trust	Spain	100%
Atalaya Servicios Mineros, S.L.U.	Atalaya MinasdeRiotinto Project (UK) Ltd	Holding	Spain	100%
Atalaya Masa Valverde S.L.U.	Atalaya Servicios Mineros, S.L.U.	Exploration	Spain	100%
Atalaya Ossa Morena S.L.U. ⁽³⁾	Atalaya Servicios Mineros, S.L.U.	Exploration	Spain	99.9%
Iberian Polimetal S.L.U.	Atalaya Servicios Mineros, S.L.U.	Dormant	Spain	100%

⁽¹⁾ Cobre San Rafael, S.L. is the entity which holds the mining rights of Proyecto Touro. The Group has control in the government, key management and other key business aspects of Cobre San Rafael, S.L., including one of the two Directors, management of the financial books and the capacity of appointment the key personnel (Note 2.3 (b) (1)).

Transactions between Atalaya and Cobre San Rafael are not disclosed as related party interest as they are fully eliminated as part of the consolidation process (Note 2.3 (b)).

⁽³⁾ Rio Narcea Nickel, S.L.U. changed its name to Atalaya Ossa Morena, S.L.U on 31 January 2022. In July 2022, Atalaya increased its ownership interest in Proyecto Ossa Morena to 99.9%, up from 51%, following completion of a capital increase that will fund exploration activities.

The following transactions were carried out with related parties:

31.2 Compensation of key management personnel

The total remuneration and fees of Directors (including executive Directors) and other key management personnel was as follows:

(Euro 000's)	The Group	
	2025	2024
Directors' remuneration and fees	1,252	1,275
Director's bonus ⁽¹⁾	407	294
Share based benefits to Directors	852	409
Share award benefits to Directors	160	-
Key management personnel remuneration ⁽²⁾	857	598
Key management bonus ⁽¹⁾	343	325
Share based and other benefits to key management personnel ⁽³⁾	1,830	409
Share award benefits to key management	115	-
	5,816	3,310

⁽¹⁾ These amounts related to the performance bonus for 2025 (and 2024 in respect of the comparatives) approved by the Board of Directors following the proposal of the Remuneration Committee.

⁽²⁾ Includes wages and salaries of key management personnel of €1,263k (2024: €568k) and other benefits of €30k (2024: €30k).

⁽³⁾ Includes the expense recognised in 2025 in respect of the 2025 Deferred Cash Incentive Plan granted to certain members of key management, as well as €0.9 million recognised from the remeasurement of share options granted to non C-Suite employees as result of the introduction of the cash settlement mechanism under the LTIP 2020. Further details are provided in Note 24.

At 31 December 2025 amounts due to Directors, as from the Company, are €nil (€nil at 31 December 2024) and €nil (€nil at 31 December 2024) to key management.

Effective 1 January 2025, the Group included the General Manager of Proyecto Touro as a member of its key management personnel. The decision reflected the formal creation of the role and its strategic relevance, as the position entails direct responsibility over the planning, direction and control of all operational and development activities at Proyecto Touro. On 24 July 2025, Fernando Araúz de Robles Villalón was appointed General Manager of Proyecto Riotinto, succeeding Enrique Delgado, thereby becoming a member of key management from that date

Share-based benefits

In 2025, the Company granted new conditional share awards under the Atalaya Mining Long-Term Incentive Plan 2020, which was approved by shareholders at the Annual General Meeting on 25 June 2020. These awards are subject to performance conditions measured over a three-year period and a subsequent two-year holding period following vesting. The awards were granted on 24 April 2025 at a market price of 358.60 pence per share and were made to certain members of senior management and PDMRs.

The maximum number of shares conditionally awarded was as follows:

Chief Executive Officer (Director): 218,000 shares

Chief Financial Officer (PDMR): 113,091 shares

General Manager Riotinto (PDMR): 112,431 shares

The awards will vest subject to the extent to which performance conditions are satisfied and continued employment. No consideration was paid for the grant. The total charge recognised in the period 2025 in respect of these awards amounted to €0.3 million.

Also during the period, the Company granted a total of 1,600,000 share options to Persons Discharging Managerial Responsibilities (PDMRs) at an exercise price of 460.35 pence per share and

an expiry date of 9 July 2030 under the Long Term Incentive Plan 2020 (LTIP20). The options vest 1/6th on grant, 1/3rd on the first anniversary and 50% on the second anniversary, subject to performance conditions, and expire on 9 July 2030.

In 2024, the Company granted a total of 800,000 share options to Persons Discharging Managerial Responsibilities (PDMRs) with an exercise price of 413.5 pence per share and an expiry date of 10 June 2029 under the Long Term Incentive Plan 2020 (LTIP20).

Both grants vest in three equal tranches—one-third on grant, with the remaining balance vesting equally on the first and second anniversaries of the grant date.

During 2025 the Directors and key management personnel have not been granted any bonus shares (2024: nil).

Conflict of interest

In order to avoid situations of conflict of interests of the parent company, during the year Directors who have held positions as company director have complied with the obligations provided for in article 228 of the Revised Text of the Spanish Capital Enterprises Act. Furthermore, Directors or related to them have abstained from incurring in the cases of conflict of interest provided for in article 229 the Spanish Capital Enterprises Act, except in cases where the corresponding authorization has been obtained.

31.3 Transactions with shareholders and related parties

(Euro 000's)	2025	2024
Trafigura Pte Ltd – Revenue from contracts ^(a)	202,437	73,433
Gains/(Losses) relating provisional pricing within sales	2,985	(3,757)
	205,422	69,676
Impala Terminals Huelva S.L.U. - Port Handling and Warehousing services ^(b)	(2,377)	(2,201)
Related parties - total amounts from contracts	203,045	67,475

(a) Offtake agreement and spot sales to Trafigura

Offtake agreement

In May 2015, the Company agreed terms with key stakeholders in a capitalisation exercise to finance the re-start of Proyecto Riotinto (the "2015 Capitalisation").

As part of the 2015 Capitalisation, the Company entered into offtake agreements with some of its large shareholders, one of which was Trafigura Pte Ltd ("Trafigura"), under which the total forecast concentrate production from Proyecto Riotinto was committed ("2015 Offtake Agreements").

During 2025, the Company completed 6 sales transactions under the terms of the Offtake Agreements valued at €65.7 million (2024: 10 sales valued at €71.6 million).

Spot Sales Agreements

Due to various expansions implemented at Proyecto Riotinto in recent years, volumes of concentrate have been periodically available for sale outside of the Company's various offtake agreements.

In 2025, the Company completed 10 spot sales with Trafigura valued at €139.7 million (2024: the Company did not complete any spot sales with Trafigura; however, €1.0 million in sales was recognised through amendments to its existing offtake agreement following QP closures during the year.).

Sales transactions with related parties are at arm's length basis in a similar manner to transactions with third parties.

(b) Port Handling and Warehousing services

The Group has in place a port handling, storage and shipping services agreement with Impala Terminals Huelva S.L.U. ("Impala Terminals") in respect of copper concentrates produced from Proyecto Riotinto.

The agreement covers export concentrate volumes that are not committed under the Group's offtake arrangements, as well as volumes committed to the Trafigura Group under its offtake agreement. The agreement remains in force at 31 December 2025.

Impala Terminals forms part of the Trafigura Group, which is under joint control. As a result, Impala Terminals is considered a related party of the Group in accordance with IAS 24 Related Party Disclosures.

The Group reassessed its relationship with Impala Terminals in prior periods and concluded that the criteria for related party classification are met. This assessment remains unchanged at 31 December 2025.

Transactions with Impala Terminals are conducted under normal commercial terms and on an arm's length basis, consistent with arrangements that would be entered into with independent third parties.

The amounts recognised during the year and outstanding balances at 31 December 2025 and 2024 are presented in Notes 31.3 and 31.4.

31.4 Year-end balances with shareholders and their joint ventures

(Euro 000's)	31 Dec 2025	31 Dec 2024
Receivable from shareholder (Note 20)		
Trafigura Pte. Ltd – Debtor balance- subject to provisional pricing	15,770	1,042
	15,770	1,042
Payable from joint venture of shareholder (Note 26)		
Impala Terminals Huelva S.L.U. - Payable balance	(155)	(109)
	(155)	(109)

The above debtor balance arising from the agreements between Trafigura and Impala (Note 31.3), bear no interest and is repayable on demand.

32. Auditor's remuneration

The fees for the years to 31 December 2025 and 31 December 2024, for audit and non-audit services provided by the auditor of the Group's consolidated financial statements and of certain individual financial statements of the consolidated companies, PricewaterhouseCoopers Auditores, S.L., and by companies belonging to PwC's network, were as follows:

(Euro 000's)	2025	2024
Fees payable for the audit of the Group and individual accounts	332	401
Other non-audit services	59	70
	391	471

For the year 2025, the audit services related to the audit of the British subsidiaries were performed by Rayner Essex LLP, amounting to GBP 41 thousand.

33. Contingent liabilities

Judicial and administrative cases

In the normal course of business, the Group may be involved in legal proceedings, claims and assessments. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance. Legal fees for such matters are expensed as incurred and the Group accrues for adverse outcomes as they become probable and estimable.

34. Commitments

There are no minimum exploration requirements at Proyecto Riotinto. However, the Group is obliged to pay local land taxes which currently are approximately €235,000 per year in Spain and the Group is required to maintain the Riotinto site in compliance with all applicable regulatory requirements.

In 2012, ARM entered into a 50/50 joint venture with Rumbo to evaluate and exploit the potential of the class B resources in the tailings dam and waste areas at Proyecto Riotinto (mainly residual gold and silver in the old gossan tailings). Under the joint venture agreement, ARM will be the operator of the joint venture, will reimburse Rumbo for the costs associated with the application for classification of the Class B resources and will fund the initial expenditure of a feasibility study up to a maximum of €2.0 million. Costs are then borne by the joint venture partners in accordance with their respective ownership interests.

35. Significant events

The global macroeconomic environment continued to be impacted by a variety of factors, including geopolitical tensions, economic uncertainty and several regional conflicts. Sanctions and various trade barriers, such as tariff policies and export restrictions for critical inputs and technologies, have the potential to disrupt supply chains and increase input costs. Uncertainties around global economic growth and persistent inflation continue to impact fiscal policy in major economies and result in currency fluctuations. Combined, these macroeconomic factors are expected to lead to continued volatility in commodity prices, impacting both Atalaya's revenues and operating costs.

- On 10 January 2025, Atalaya Mining Copper, S.A. (formerly Atalaya Mining plc) completed its re-domiciliation to Spain. Trading under the new name became effective at 8:00 AM, and the nominal value of shares changed from 7.5p to €0.09.
- On 15 January 2025, the Board announced the appointment of María del Coriseo ("Coriseo") González-Izquierdo Revilla as an independent non-executive director, effective 14 January 2025.
- On 31 January 2025, Atalaya received notification that Neil Gregson, Non-Executive Chair, purchased 2,800 ordinary shares of €0.09 nominal value at an average price of 347.28 pence per share.
- On 8 April 2025, Atalaya announced that it received notification that Jesús Fernández, a PDMR, purchased 32,000 ordinary shares of €0.09 nominal value each in the Company at an average price of 307.98 pence per share.
- On 24 April 2025, conditional share awards were granted under the Company's Long-Term Incentive Plan to the CEO (218,000 shares), CFO (113,091 shares) and General Manager Riotinto (112,431 shares), subject to performance conditions and vesting terms.
- On 2 May 2025, Atalaya was notified by FTSE Russell of its inclusion in the FTSE 250 Index, effective from 7 May 2025, following the removal of International Distribution Services.
- On 15 May 2025, Atalaya received the AAU from the Junta de Andalucía for the San Dionisio deposit, enabling future expansion of mining activities at Proyecto Riotinto.

- On 4 June 2025, Atalaya announced that Hussein Barma, an independent non-executive director of the Company, was appointed as a non-executive director of Eldorado Gold Corporation with immediate effect.
- On 24 June 2025, following the retirement of Hussein Barma and the appointment of Hennie Faul as Director, Atalaya updated the composition of its board committees, with Hennie now serving as a member of the Audit and Physical Risk Committees.
- On 10 July 2025, Atalaya granted share options under its LTIP 2020 to CEO and Director Alberto Lavandeira (800,000), CFO César Sánchez (400,000) and Riotinto General Manager Enrique Delgado (400,000), at an exercise price of 460.35p. The options vest 1/6th on grant, 1/3rd on the first anniversary and 50% on the second anniversary, subject to performance conditions, and expire on 9 July 2030.
- On 23 July 2025, Atalaya paid the 2024 final dividend approved by shareholders at the 2025 AGM.
- On 24 July 2025, Fernando Araúz de Robles Villalón was appointed General Manager of Proyecto Riotinto, succeeding Enrique Delgado.
- On 11 August 2025, the Company's Board of Directors elected to declare a 2025 Interim Dividend of €0.044 per ordinary share, which is equivalent to approximately US\$0.051 or £0.038 per share.
- On 1 October 2025, Ithaki Limited, shareholder of the Company, increased its voting rights from 6.99% to 8.34%.
- On 3 October 2025, Cobas Asset Management, SGIIC, S.A., shareholder of the Company, decreased its voting rights from 15.04% to 14.47%.
- On 10 October 2025, Atalaya paid the 2025 interim dividend approved by the Company's Board of Directors.
- On 5 December 2025, Muza Gestión de Activos, S.G.I.I.C., S.A., shareholder of the Company, decreased its voting rights from 3.12% to 2.95%.
- On 19 December 2025, Atalaya provided an update on the shareholders consultation following the outcome of the Annual General Meeting on 24 June 2025. All resolutions put to the meeting were successfully passed with the requisite majority of votes, although four resolutions received less than 80% shareholder support: re-election of Jesús Fernández, approval of director's remuneration report, approval of grant of awards pursuant to the long-term incentive plan and approval of the grant of a one-off transitional award to the CEO.
- On 30 December 2025, Atalaya announced that its board of directors intended to appoint Dr Michael ("Mike") Graham Armitage as an independent non – executive director with effect from 19 January 2026. Mike will replace Steve Scott who will be stepping down on 31 December 2025.

36. Events after the reporting period

- On 5 January 2026, Cobas Asset Management, S.G.I.I.C., S.A., shareholder of the Company, decreased its voting rights from 14.47% to 9.89%.
- On 27 January 2026 Atalaya announced a proposed equity offering to raise gross proceeds of £130 million (approximately €150 million) by way of an institutional placing and a separate retail offer. Proceeds from the Fundraise will allow Atalaya to accelerate the development of its copper growth projects in Spain in order to capitalise on strong copper market fundamentals. The fundraise will also provide the Company with financial flexibility to optimise the ultimate funding package for Proyecto Touro while concurrently advancing its growth pipeline primarily in the Riotinto District.

- On 28 January 2026, Atalaya announced that it has successfully placed 12,730,000 new ordinary Shares in the Company with new institutional investors and existing shareholders at a price of £ 10.00 per Placing share raising gross proceeds of £127.3 million. Eligible retail investors have subscribed in the offer made by the Company via RetailBook for a total of 270,000 new Ordinary Shares at the Placing Price raising gross proceeds of £2.7 million. Mike Armitage, a non- executive director of the Company, subscribed for 4,000 new Ordinary Shares as part of the Retail Offer. Following Admission, Mr Armitage will hold 4,695 Ordinary Shares. In total, 13,000,000 Offer Shares have been subscribed for at the Placing Price raising gross proceeds of £130 million (equivalent to approximately €150 million). The Offer Shares represent, in aggregate, approximately 9.2% of the Company's issued Ordinary Share capital prior to the Fundraise.
- On 3 February 2026, Urion Holdings (Malta) Limited (Trafigura), a member of the Trafigura Group, shareholder of the Company, announced its intention to sell approximately 13 million ordinary shares with a nominal value of €0.09 each. As of 2 February 2026, the Placing Shares represent approximately 8.5% of the Company's issued share capital.
- On 4 February 2026, Urion Holdings (Malta) Limited (Trafigura), a member of the Trafigura Group, shareholder of the Company, announced that agreed to sell in aggregate 14,000,000 Placing Shares at the price of 945 pence per share, raising aggregate gross proceeds of approximately £132 million. Following settlement of the Placing, Urion Holdings (Malta) Limited (Trafigura), shareholder of the Company, decreased its voting rights to 10.94%.