

M&B Treuhand GmbH
audit firm

Company valuation

EHTI Eurasia High Technology Industries SE (Group)

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Appendix 1: Documents

Appendix 2: Methodology and calculation of enterprise value at the reporting date

I. Ordering and order fulfillment

Dr. Harald Voge, Managing Director of the company

EHTI Eurasia High Technology Industries SE

- hereinafter referred to as EHTI, a company or enterprise -.

commissioned us to determine the value of the company as of August 31 2024, as a neutral arbiter for investment negotiations and contribution measures, and to report thereon to the extent customary for the profession.

Our assessment was based on the documents and information provided to us by the company and its managing directors. All necessary information was provided by the managing director of the company.

We included in our files a legally binding declaration of full disclosure and evidence signed by the managing director.

The evaluation was conducted in accordance with the IdW Standard S 1 (as of January 2008) and in accordance with the general principles of good evaluation.

We started the appraisal in June 2024 and completed it intermittently in August 2024. We verified the value of the field by visiting Kazakhstan (from July 10 to July 13, 2024).

The evaluation was carried out at our offices in Munich.

II. Assessment

1. Basics of the company's operations

a. General conclusions

A1) EHTI Eurasia High Technology Industries SE

The Company was entered in the commercial register on June 7, 2021 under the name INNODIO SE (European Joint Stock Company). The Company was renamed EHTI Eurasia High Technology Industries SE on April 10, 2024.

EHTI Eurasia High Technology Industries SE is registered in the commercial register of the local court of Frankfurt am Main under registration number HRB 123279.

The company's business activities include participation in companies engaged in the mining, production of metals and rare earth elements using sophisticated technologies, as well as trade in these products between Europe and Asia.

A2) SUZAK Phosphate LLP

SUZAK Phosphate LLP was founded on August 9, 2017 as a new company. A limited liability partnership (LLP) corresponds to a limited liability partnership under German law.

SUZAK Phosphate LLP is registered in the Trade Register of Shymkent city under the identification number BIN 170840011047.

The Company's business purpose is geological exploration in the mining industry, extraction of mineral raw materials for chemical production of fertilizers, production of mineral fertilizers and other chemical products, distribution of fertilizers produced and all activities that contribute to the achievement of business objectives.

b. Business Model

Description of the SUZAK phosphate project in Kazakhstan in terms of feasibility study.

Summary

EHTI will receive the rights to market SUZAK Phosphate LLP in Kazakhstan - hereinafter "SUZAK" - for mineral resources, primarily phosphate ores from the Ushbas-1 (U1), Ushbas-2 (U2) and Chiylibulak deposits located in the South Kazakhstan region, as a contribution to the "Authorized Capital".

Together with SUZAK, EHTI intends to build and operate a production complex near the Ushbas-1 deposit to produce and sell high-quality phosphate fertilizers and ammonium-calcium nitrate. The plant will be designed to produce about 1.6 million tons of phosphate fertilizers per year. The Akimat of Turkestan Region Decree No. 7 dated January 21, 2021, cadastral number 19-297-001-503, has already allocated 300 hectares of land required for the construction of the plant.

The phosphate deposits at Ushbas-1 are valued at €1.2 billion, while other deposits are valued at €4-5 billion. Thus, the aggregate market value of all deposits could reach €6 billion.

In line with the planned product quality, the selling price (VP) is assumed to be between €500 and €700 per tonne. Relevant declarations of intent for purchases in third countries confirm this assumption.

The production facility has an operating life of 13 years. Mining licenses, including the possibility of their renewal, are for the same period. Operating costs, including transportation costs, are calculated at the level of 300 euros per tonne of products produced. The profitability ratio before VAT was recognized at 35.1% (assuming an average selling price).

Currently, the phosphate project is limited to the Ushbas-1 deposit only. If we take into account the reserves of Ushbas-2 and

If Chiylibulak is included in the profitability analysis, if annual production of 1.6 million tons of phosphate ore at the plant or its technical expansion and/or upgrading is maintained, its reserves will be available for processing for approximately 100 years. Quantitative expansion is only possible through significant investment in infrastructure.

Investment in the 1.6 million-tonne capacity project, including infrastructure, is estimated at €1.2 billion. These funds are to be provided by investors intermediated by EHTI.

Investment risks are primarily related to the provision of the necessary investments in parallel with the investment process. In addition, there is **political risk** and the risk of the **extent to which transportation capacity** will actually be available as planned.

Overview of Ushbas-1 deposit in Zhambyl oblast, South Kazakhstan The deposit covers an area of about 431 hectares.



I. Geological conditions

The Ushbas-1 deposit is located in the Suzak district of the Turkestan region, approximately 53 kilometers from the town of Kukend and approximately 34 kilometers from the town of Zhanatas. The field is registered with the Ministry of Energy and Mining.

(Ministry of Energy and Mineral Resources of the Republic of Kazakhstan) numbered 3330 and described in detail.



The Ushbas-1 deposit was fully geologically explored and evaluated in 2021-2023, based on initial exploration results obtained by Soviet scientists in 1953/1954. The surveys and reports are in accordance with international standards. Drilling between 2021 and 2023 across the entire deposit area, as well as about 100 new drill holes up to 600 meters deep further exploration with 3,833 drill results, confirmed the presence of a phosphate ore deposit of 763,729,000 tons. This value had already been predicted by Russian geologists in 1954/1955 . Average phosphate content

18 %-24 % and **increased phosphate content up to 35 %** in the lateral zones of the deposit.

The Ushbas-1 deposit is a direct northwest extension of the already exploited Koksus deposit. The rocks have a monoclinical dip at angles ranging from 20-40° to 75-80°. In the southwestern part (along the right bank of Ushbas), two phosphorite formations up to 10-12 m thick are distinguished, separated by a pack of sericite-siliceous shales with thin siliceous interlayers. In the northwest (along the left bank of the Ushbas River), phosphorites form up to 4-5 beds up to 28 m thick, separated by phosphatized sericite-silicate shales and flints. These ores belong to the pelitomorphic-silicate type. **Ushbas-1 deposit is classified by the State Balance of the Republic of Kazakhstan as of January 1, 2008 by quantity and quality.**

Ushbas-1 deposit is suitable for open pit mining. The State Commission for Mineral Reserves of the Republic of Kazakhstan confirmed the inclusion of the deposit in the State Balance as of 01.01.2008 by Protocol No. 2568-23-U dated 04.07.2023.

Площадь участка месторождения Ушбас-1

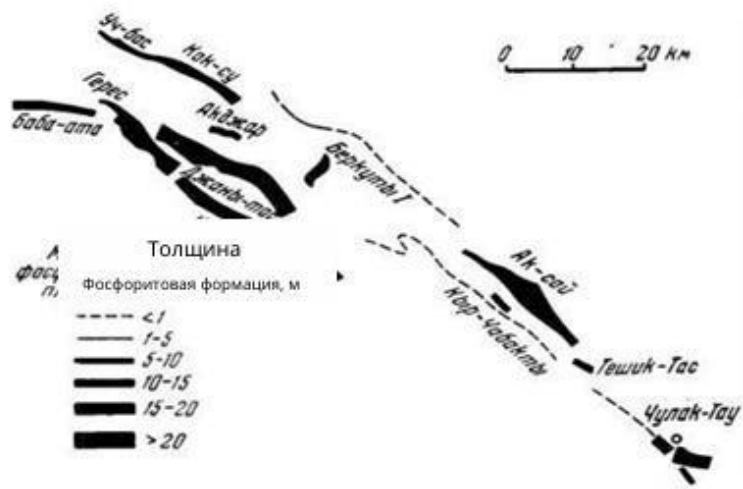


Рисунок 5. Схематическая карта выходов фосфоритовой формации, развитой в хребте Малый Каратау. The Толщины пригодны для образования фосфорита с P₂O₅-Содержание указано выше 25%

Geological exploration documentation and exploration results

are available in their entirety and are listed in the following list of documents:

- Granting of licenses No. 66-EL and 67-EL dated 03.04.2019 for mining at Ushbas-1 and other deposits issued by the Ministry of Industry and Infrastructure Development;
- The license was granted to Joint Stock Company "National Company for Social and Entrepreneurial Cooperation "Ontusik" (100% parent company of LLP "Suzak Phosphate") on the basis of Agreement No. 3530 of the Ministry of Industry and Mineral Resources dated 09.02.2010 with an addendum dated 10.06.2019, issued by the Ministry of Energy and Mineral Resources of the Republic of Kazakhstan;

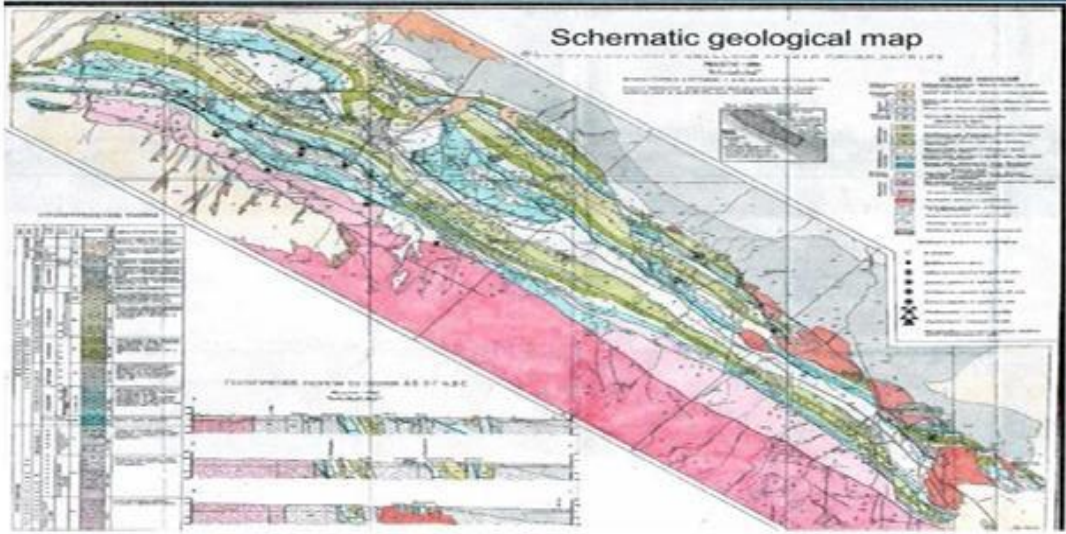
- Order of the Ministry of Finance of the Republic of Kazakhstan from 01.08.2022 № 772 in addition to the order of the Ministry of Finance of the Republic of Kazakhstan from 03.05.2018;
- Order of the Ministry of Finance of the Republic of Kazakhstan dated 23.08.2023 in addition to the above orders dated 01.08.2022 and 03.05.2018;
- Minutes No. 2568-23-Y dated 04.07.2023 on the meeting of SUZAK Phosphate LLP with the State Mineral Reserves Commission of the Republic of Kazakhstan; with the minutes of the same authority dated 28.05.2021 attached. Minutes No. 2568-23-Y dated 04.07.2023 cover both past exploration history and the more recent period from 2021 to 2023, as well as the quantity of phosphate ore identified and its qualitative composition. The report is a detailed geologic compilation of the Ushbas-1 deposit;
- Expert opinion of the state-recognized and licensed expert company "K.B.S.C. Kazakhstan Business Service Company" LLP dated 04.10.2023 No. 2023-99 on the market value of phosphate ores of Ushbas-1 deposit, including all state contracts, resolutions, orders and other documents listed above;

- Geological maps of the State Commission on Mineral Resources for mineral deposits in general and phosphate ores in particular.

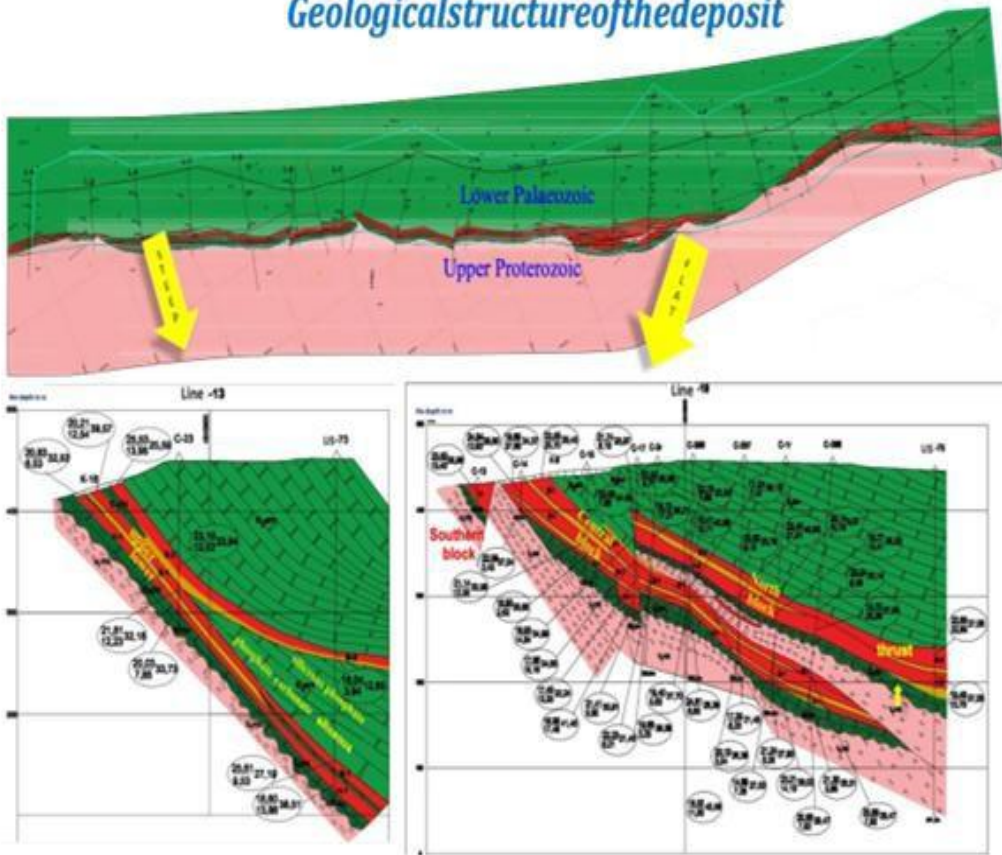
Conclusion:

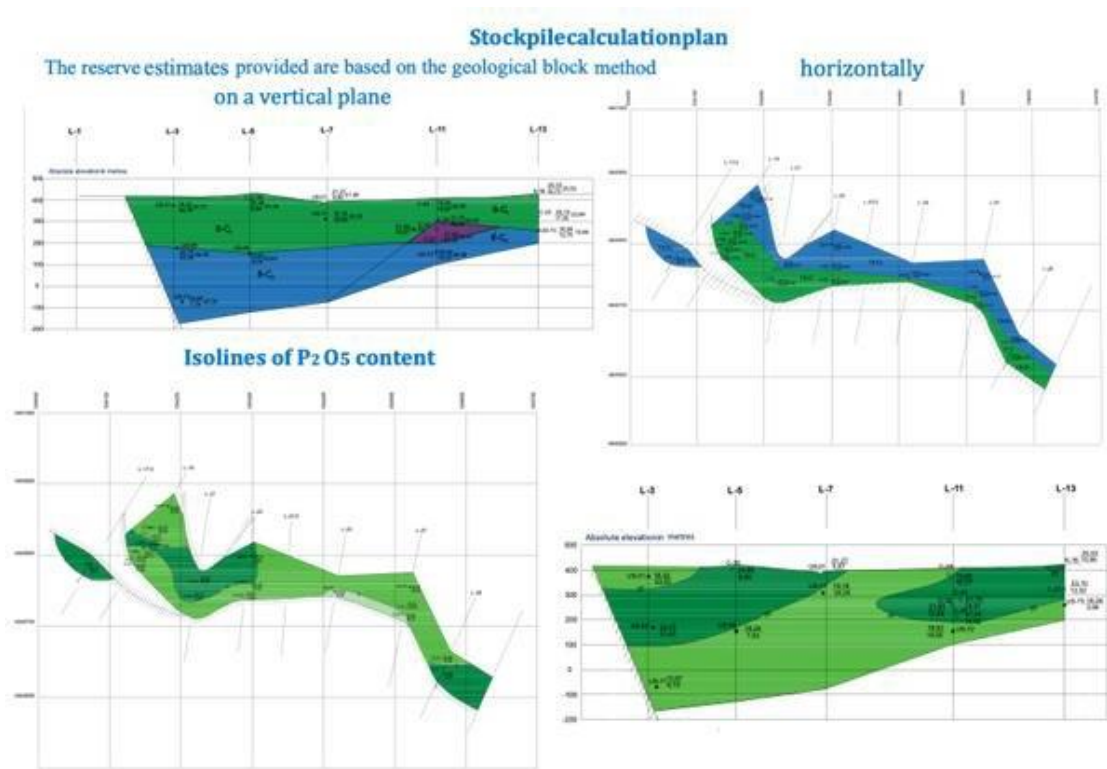
- The Ushbas-1 deposit contains approximately 763,739 thousand tons of phosphate ore with phosphate content ranging from 18% to 24% in the central beds and up to 35% in the lateral beds.
- With a planned total annual production of 1.6 million tons of phosphate fertilizers and ammonium-calcium nitrate, the Ushbas-1 deposit will be exhausted in about 100 years.
- The estimate of the value (market value) of the Ushbas-1 mineral resources of about 1.2 bln. p.f. is based on an average phosphate grade of about 20% per tonne. A possible average value of 25% reduces mining and production costs and therefore increases the value (market value) to about **1.35** billion euros.

Phosphate ore deposits



Geological structure of the deposit





II. Logistical conditions

According to SUZAC, the continuous transportation of 1.6 million tons of high-quality phosphate fertilizers and ammonium-calcium nitrate produced annually, as well as the shipment of products abroad, is ensured by rail and sea transport.

1. Railroad

The national railroad network is sufficiently developed in view of the phosphate project and is connected by two transcontinental railroad corridors **Chongqing (China)-BREMEN (Germany)** and

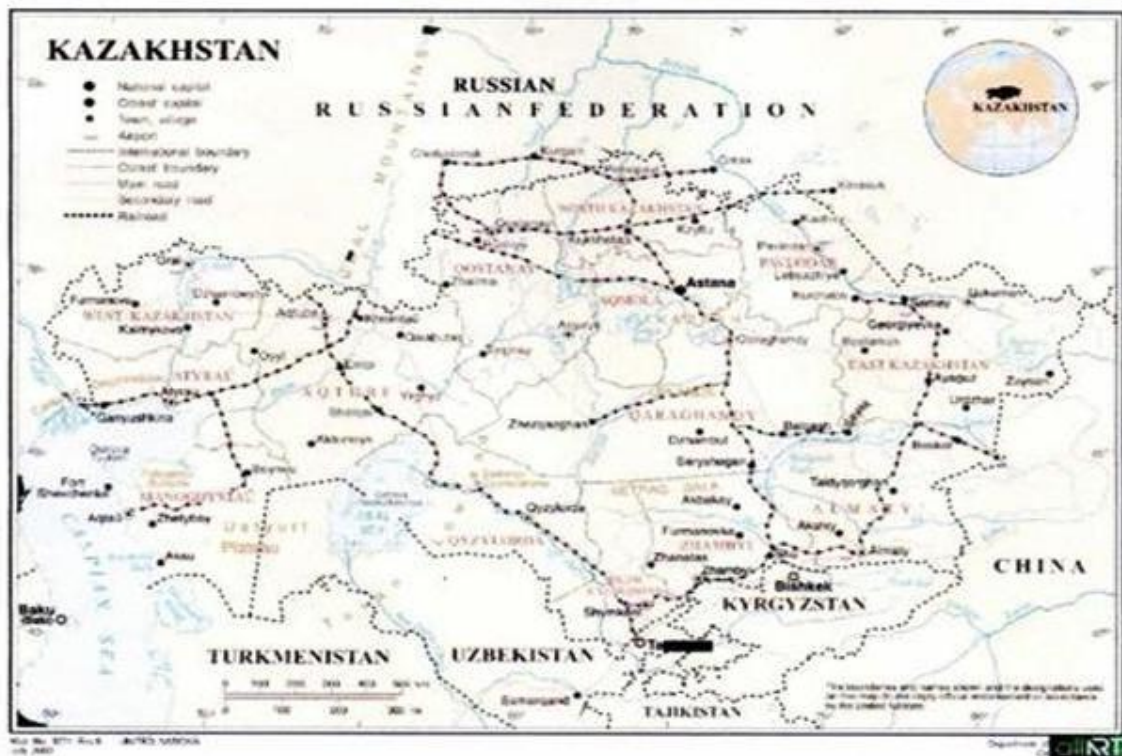
KAZAKHSTAN railroads - Lianyungang (China) connected to Europe and China.

The production facility for high quality phosphate fertilizer and ammonium-calcium nitrate will be connected to the commodity railway station in Zhanatas (Zhambyl region), which is approximately 34 km away, in time for the commissioning of the production complex. To this end, a railway line will be constructed to handle 1.6 million tonnes of cargo per year (approximately 167,000 tonnes per month - 2,777 freight wagons per month at 70 tonnes per wagon approximately 140 freight wagons per working day) and at the same time provide the necessary coal supplies. tons of cargo per year (approximately 167,000 tons per month - 2,777 freight cars per month at 70 tons per car= about 140 freight cars per working day) and at the same time provide the necessary coal supplies to produce the energy required for the operation of the plant.

The construction of the railway line from the production facility to the goods station at Zhanatas is recognized as being in the public interest and is subsidized by public funds. The shortfall will be covered by EHTI investment funds. The necessary route planning has been completed.

By the time of commissioning, the feeder railroad to the intercontinental connection should be completed.

All cargo transportation, including cargo transportation of SUZAK PHOSPHAT LLP, is carried out by the national LOGISTIC CENTER in Astana. has been operating since November 12, 2015.



In an international price comparison, Kazakhstan is the second most cost-effective country in terms of transportation and maintenance costs. This gives the phosphate project an advantage in the market. Regarding the price comparison, we refer to the publication of the Railway Association of Canada (RAC), which published a price comparison in 2021 on 31.01.2023 (International Comparison of Railway Freight Rates). Kazakhstan should be included under "Russia".



Calculation of the cost of cargo transportation by rail within Kazakhstan:

- Access line from the production plant to Zhanatas freight station: about 5 USD per ton of freight wagon (with 70 tons of wagon)
- From Zhanatas freight station to the external borders of Kazakhstan: about USD 25 per ton of freight car (with a car capacity of 70 tons)

Price calculations are based on official **transportation cost calculations** that DAOBIT regularly conducts on behalf of the Government of Kazakhstan: www.daobit.ru.

2. Ship

Phosphate products can only be delivered through two **seaports - Aktau and Kuryk** on the Caspian Sea. Both ports are equipped with modern infrastructure and technology and can easily load the required amount of product. Since the Caspian Sea is an inland sea, any cargo destined for Western Europe must be shipped through the

Cargo is transported overland to Black Sea seaports in Georgia by truck and from there by ship to the Mediterranean and Atlantic. The route via Azerbaijan and Iran was ruled out for political reasons. The choice of transportation route through Georgia depends on the end user and the cost of various transportation sections. In any case, they are significantly higher than the cost of rail transportation to China.



Most of the cargo through the Caspian Sea is transported through the port of Aktau. It is connected to sea routes to Azerbaijan, Russia, Turkmenistan and Iran. There are two operators in the port of Aktau. **Aktau Port Company** (Aktau Commercial Sea Port)

is wholly owned by Kazakhstan's sovereign wealth fund Samruk-Kazyna and operated by Kazakhstan Temir Zholy (KTZ), the national railroad company. **The transshipment capacity of** the terminals operated by the Aktau Port Company is approximately **11.8 million tons per year**. Currently, this part of the Aktau port is only utilized at one-third of its capacity. The other part of the port is operated by the Kazakhstan-Singapore joint venture **Nordterminal** (Aktau Marine North Terminal), which was founded in 2015. It is 60 percent owned by shipowner [Inter Port Development PTE](#) of Singapore, with another 30 percent owned by Kazakhstan's railroad logistics company KTZh Express and 10 percent by Aktau Port Company. The northern terminal can handle about 3 **million tons of cargo** per year. Currently, these capacities are also not fully utilized. The operator handles about 65% of cargo for export and 35% for import.

To increase capacity in Kazakhstan, a new Kuryk port has been under construction since 2015 near the village of **Kuryk**, about 70 kilometers south of Aktau. Two operators also operate here. Kuryk Port Company, a subsidiary of Kazakhstan's railway company KTZh, operates a ferry port and logistics center with a **total transshipment capacity of** about 4 **million tons per year**. In the past few years, actual capacity utilization has been about one-third. A large area adjacent to the ferry complex is owned by Semurg Invest, a private investor.

Conclusion:

- Transporting the 1.6 million tons of **products** produced at the phosphate plant per year through Kazakhstan to other countries can be considered safe in the long term;
- Domestic freight costs a maximum of 30 euros per ton when using rail;
- The cost of transportation from the external borders of Kazakhstan by rail shall be calculated on a case-by-case basis depending on the respective recipient countries. In no case should the cost of transportation exceed 100 euros/tonne;
- The cost of transportation through the Caspian Sea, Georgia, the Black Sea, the Mediterranean and the Atlantic should be between 200 and 300 euros per ton.

2. Consequences

A phosphate project immediately loses its economic attractiveness if the goods produced are transported by sea. This can very quickly lead to an unsustainable cost/revenue ratio. Therefore, sea transportation is only justified in exceptional cases or if the fertilizer buyer is willing to take delivery in Kazakhstan and pay the transportation costs itself, leaving the purchase price in Kazakhstan.

In reality, we can assume that **rail transportation will dominate**, and buyers of goods will be forced to accept delivery to China or Western Europe.

II. Planning documents

The basis for planning the construction of a plant for the production of phosphate nitrate fertilizers (NP, 1.4 million tons per year) and calcium ammonium nitrate (CN, 600,000 tons per year), i.e. a total of 1.6 million tons, is SUZAC's business plan dated autumn 2023 (Business Plan for the Construction of a Phosphate Ore Processing Plant for the Production of Phosphate Nitrate Fertilizers). The business plan complies with the international standard and includes comprehensive

- geologic conditions,
- technical requirements,
- market analysis,
- financial and economic indicators of the project,
- social and environmental aspects of the project,
- assessing the feasibility of the project,
- market advantages and SWOT analysis.

The costs of the project will amount to approximately €1.2 billion and are distributed as follows:

- approx. 800,000,000 euros construction and commissioning costs
- about 250,000,000 EUR Infrastructure measures (,

road construction, etc.)

- approx. Warehouse organization for an amount of 150,000,000 euros

Cost of construction of a production facility:

Assignment Costs	Total project costs, in thousands of euros	Capital in thousands of euros Euros	Borrowed capital in thousands of euros
Construction from Building and structure	39.986	0	39.986
BuM Mining- and Chemical Complex	26.689	0	26.689
BuM Infrastructures	13.298	0	13.298
Equipment and Machinery	746.895	0	746.895
Production unit for synthetic Ammonia - 452,000 tons/year.	345.018	0	345.018
Production unit for dilute nitric acid - 990,000 tons/year.	146.635	0	146.635
Production unit ammonium nitrate solution - 500,000 tons/year.	12.073	0	12.073

¹ Euro conversion table: 1 tenge equals 0.€

Phosphate nitrate fertilizer production unit 1,000,000 tons/year.	172.505	0	172.505
Ammonium nitrate production unit 600,000 tons/year.	25.878	0	25.878
User interface and operation components, Warehouses, tank farms	43.39	0	43.393
Delivery, Customs procedures and assembly	1.394	0	1.394
Initial Working capital	2.788	1.394	1.394
Purchase of raw materials	2.788	1.394	1.394
Total investment volume:	789.669	1.394	788.275

SUZAK is supported by the auditing company BAKERTILLY in Almaty, Kazakhstan. The business plan was discussed and confirmed at the meeting of the undersigned with the management of BAKERTILLY in Almaty on July 11, 2024.

Conclusion:

- **SUZAK's business plan is plausible and understandable.**

- **The planned investments appear realistic and sufficient.**

IV. Project documentation

- **Licenses No. 66-EL and 67-EL dated 03.04.2019** for mining at Ushbas-1 and other deposits issued by the Ministry of Industry and Infrastructure Development;
- License for Joint Stock Company "National Company for **Social and Entrepreneurial Cooperation "Ontusik"** (100% parent company of LLP "Suzak Phosphate") based on **Agreement No. 3530 of the Ministry of Industry and Mineral Resources dated 09.02.2010 with an addendum dated 10.06.2019** issued by the Ministry of Energy and Mineral Resources of the Republic of Kazakhstan;
- **Order of the Ministry of Finance of the Republic of Kazakhstan from 01.08.2022 № 772** in addition to the order of the Ministry of Finance of the Republic of Kazakhstan from 03.05.2018;
- **Order of the Ministry of Finance of the Republic of Kazakhstan dated 23.08.2023** in addition to the above orders dated 01.08.2022 and 03.05.2018;
- **Minutes No. 2568-23-Y dated 04.07.2023** on the meeting of SUZAK Phosphate LLP with the State Commission on Mineral Reserves of the Republic of Kazakhstan; including minutes of the same body dated 28.05.2021. In the minutes № 2568- 23-Y dated 04.07.2023 shall be treated as history

exploration works in the past and new period from 2021 to 2023, as well as the amount of phosphate ore found and its quality composition. The report is a detailed geological compilation of the Ushbas-1 deposit;

- **Expert opinion of the state-recognized and licensed expert company "K.B.S.C. Kazakhstan Business Service Company" LLP dated 04.10.2023 No. 2023-99** on the market value of phosphate ores of Ushbas-1 deposit, including all above-mentioned state contracts, resolutions, announcements and other documents;
- **Geological maps** of the State Commission on Mineral Resources for mineral deposits in general and phosphate ores in particular;
- **SUZAC's business plan related to the construction of a phosphate ore processing plant for the production of phosphate-silicate fertilizers is dated 2023;**
- **BAKERTILLY's application dated October 20, 2023** for approval of SUZAK's financial statements for the year ending December 31, 2022;
- **SUZAK Geological Opinion dated July 10, 2024 on the Ushbas-1, Ushbas-2 and Chiylibulak phosphate deposits held by the Company.**

Creditworthiness

SUZAK Phosphate LLP and the phosphate project are an integral part of the Seitzhanov family's holding company, FTPK Ontusik. Through its holding, the family owns controlling stakes in SOUTH OIL (www.south-oil.com), STANDARD PETROLEUM (www.standardoilqazaqstan.kz), drilling company SMART-OIL, construction company MINAIRYS SERVICE, cement plant STANDARD CEMENT, concrete plant KAS-BETO and cyanide plant TALAS INVESTMENT COMPANY. The family also owns a chain of RIXOS hotels in Kazakhstan and Turkestan, a chain of SATTI ZHOL gas stations, the South Kazakhstan Medical Academy and the Technical Innovation Center in Shymkent.

The Seitzhanov family is one of the most influential in Kazakhstan and is on the Forbes list.

3. Market

Phosphate fertilizers are an important component of agriculture as they are an important source of phosphorus (P), an essential plant nutrient. The phosphate fertilizer market is global and plays a crucial role in agricultural production, especially in regions with phosphate-poor soils.

The global phosphate fertilizer market is driven by the demand for food as there is a need to increase agricultural production for the growing global population.

Regions such as Asia Pacific and North America are important markets, with countries such as China, India, the U.S., and Brazil experiencing high demand.

The most common phosphate fertilizers include superphosphate (single and double), triple superphosphate (TSP) and diammonium phosphate (DAP). These products vary in phosphorus concentration and are used depending on soil type and crop.

Important Manufacturers:

Leading companies in the market include Mosaic Company, Nutrien, OCP Group, Yara International, and ICL Group. These companies operate large mines and processing plants to extract phosphate rock and process it into fertilizers.

Challenges and Trends:

Environmental concerns: The extraction and use of phosphate fertilizers is under scrutiny due to environmental concerns (e.g. phosphorus contamination of water).

Sustainability: Efforts are being made to improve the efficiency of phosphate fertilizer use, over-fertilize and minimize environmental impact.

Technological advances: Advances in fertilizer technologies, such as coated fertilizers and precision agriculture, can optimize the use of phosphate fertilizers.

Future Prospects:

Demand for phosphate fertilizers is expected to increase further, especially in developing countries with growing agricultural production. At the same time, pressure on the industry to develop and use more sustainable and environmentally friendly products may increase.

Overall, the phosphate fertilizer market remains an important and dynamic sector of the global agricultural industry

4. Competitive situation

Due to the homogeneity of products and the same production methods, only price can be the decisive factor in making a purchase decision. Therefore, transportation and energy costs are key competitive factors.

IV. Result

The Managing Director provided the requested explanations and evidence. The written declaration of completeness of information confirmed that all declarations and evidence were correct and complete.

According to the calculation in the appendix, this resulted in the following rounded company-wide figure as of August 31, 2024:

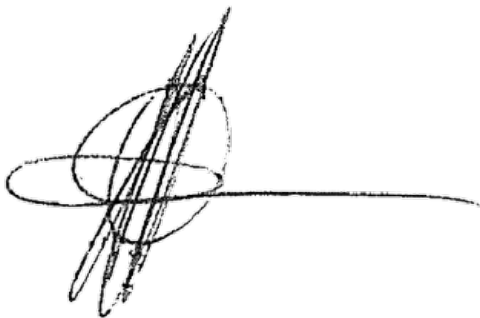
1,250,000,000 euros

The cost depends on the financial viability of the business model or business plan.

Munich, September 6, 2024 M&B Treuhand

GmbH
Audit Company Mertan

Auditor

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