

26 February 2024

LYNAS RARE EARTHS HALF YEAR 2024 RESULTS

A transitional half year with significant progress on key growth initiatives

	1H 23	1H 24
• Net Profit After Tax (NPAT):	\$150.1m	\$39.5m
• Revenue:	\$370.0m	\$234.8m
• EBIT:	\$158.0m	\$31.8m
• EBITDA:	\$189.0m	\$62.6m
• Cost of sales:	(\$185.0m)	(\$159.0m)
• Closing cash and cash equivalents:	\$934.2m	\$686.1m

Lynas Rare Earths Limited (“Lynas”) (ASX: LYC, OTC: LYSDY) today released its Financial Report for the half year ending 31 December 2023.

Lynas Rare Earths CEO and Managing Director, Amanda Lacaze, commented: “The 2024 financial year is a transitional year for Lynas and the progress achieved in the first half of the year has established an excellent foundation for our future success.

“This included the variation to the Malaysian operating licence which allows for the continued import and processing of lanthanide concentrate from our Mt Weld mine and provides a continuing path for our operations in Malaysia.”

“Notwithstanding the exciting expansion and exploration activities undertaken in the half year, and the low market price environment, I am pleased to report a profitable first half for the business. Continued demand for Lynas products and careful management of inventory and operating costs resulted in revenue of \$234.8m, EBITDA of \$62.6m and a net profit (NPAT) of \$39.5m,” continued Ms Lacaze.

“During the half year, Lynas invested \$347m in capital projects, primarily related to the Lynas Kalgoorlie and Mt Weld expansion projects, and ended the period with a strong cash balance of \$686.1m.”

Significant progress on key growth projects

Following receipt of the updated Malaysian operating licence, significant upgrade works were undertaken during a 6-week temporary shutdown of the Lynas Malaysia plant. Works were designed to enable separation capacity of 10.5kt p.a. NdPr and improve the reliability of the cracking and leaching plant. These were the most significant works at Lynas Malaysia in over a decade and were successfully completed with no safety incidents. The plant recommenced operations in January efficiently and without incident.

In Kalgoorlie, construction activities were largely completed during the half year and the first feed of material from Mt Weld was introduced into the new Kalgoorlie Rare Earths Processing Facility in December 2023.

The Mt Weld expansion project remains on track and construction activities progressed as planned during the period with Stage 1 works focused on the construction and commissioning of the dewatering circuit under existing approvals. In November 2023, the WA Environmental Protection Authority recommended the Mt Weld Life of Mine proposal for approval and in December 2023 the Ministerial Statement was received. Following this, in February 2024, the Process Plant Works Approval was received from the WA Department of Water and Environmental Regulation (DWER) in February 2024.

As announced on 22 January 2024, the Mt Weld exploration drilling program during the half year was successfully completed and results from the drilling program will be used to update the resource model later in the calendar year.

In August 2023, Lynas was pleased to sign a follow on contract with the U.S. Department of Defense for the new U.S. Heavy Rare Earths plant in Texas. The updated contract is an expenditure-based contract under which all of Lynas’ properly allocable construction costs will



be reimbursed. A contribution by the U.S. Government of approximately US\$258 million is currently allocated to the project.

Detailed design, approvals and community consultation continued during the period and in January 2024, the federal NEPA environmental approval process was successfully concluded with the issuance of a 'Finding of No Significant Impact'.

“The rare earths market is important to many industries and we continue to see strong customer demand for Lynas’ products. Lynas has a proven track record of managing costs and operations to ensure that we can be successful in all market conditions, and across all stages of the market cycle. Optimising our industrial footprint through operating efficiencies and capital growth projects will ensure Lynas is well positioned to benefit from forecast market growth and any improvement in market pricing conditions,” said Ms Lacaze.

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