

ASX Announcement / Media Release

24 March 2025

Syrah reports 2024 full year results

ANNUAL REPORT FOR THE FULL YEAR ENDING 31 DECEMBER 2024

Syrah Resources Limited (ASX: SYR) ("Syrah" or "Company") releases its Annual Report for the full year ended 31 December 2024.

Key Points

- Strong health and safety record with Syrah Group Total Recordable Injury Frequency Rate ("TRIFR") of 1.6
- Revenue of US\$32 million, gross loss of US\$72 million and net loss after income tax of US\$125 million for the full year
- Completed construction and commenced operations at the 11.25ktpa AAM Vidalia facility ("Vidalia") in Louisiana USA, making Syrah the first commercial-scale, vertically integrated natural graphite AAM supplier outside China
- Multi-year binding offtake agreement for Vidalia AAM supply executed with Lucid¹, subsequent to year end
- Production of 35kt natural graphite in campaign operations at Balama Graphite Operation ("Balama") in Mozambique, limited by low Chinese fines demand through the year and protest actions in the last quarter
- Lower annual natural graphite sales to third-party customers of 50kt at a weighted average price of US\$647 per tonne (CIF), with overcapacity and competition in the Chinese domestic battery anode market leading to very low sales to China
- Completed a maiden breakbulk shipment to Indonesia and Syrah's first large volume natural graphite sale to a battery supply chain participant located outside China
- Multi-year binding offtake agreement for Balama natural graphite fines executed with Posco Future M²
- Achieved Initiative for Responsible Mining Assurance ("IRMA") 50 level of performance for Balama³
- US\$150 million loan signed with the US International Development Finance Corporation ("DFC")⁴ for Balama and completed US\$53 million disbursement to provide working and sustaining capital support to Balama
- A\$98 million (US\$65 million) institutional placement and entitlement offer completed⁵
- Year-end cash balance of US\$87 million, including restricted cash of US\$58 million of which US\$18 million is available to fund Balama costs and US\$20 million is available to fund Vidalia costs
- Awarded US\$165 million Section 48C tax credit⁶ for Vidalia Further Expansion project, subsequent to the end of the financial year, in January 2025
- Strong growth in the global EV market as global EV sales increased 23% in 2024, versus 2023, to ~17 million units⁷.

¹ Refer ASX release: 24 February 2025.

² Refer ASX release: 1 March 2024.

³ Refer ASX release: 20 December 2024.

⁴ Refer ASX release: 30 October 2024 and 11 November 2024.

⁵ Refer ASX release: 5 April 2024.

⁶ Refer ASX release: 13 January 2025.

⁷ Source: GlobalData.

During 2024, Syrah's integrated mining and manufacturing position at the forefront of ex-China natural graphite anode market development continued to advance. Volatile market conditions and government policy evolution led to a very challenging year for the business and a difficult set of conditions for operation of the Company's assets. China remained the dominant force in the global graphite and anode material ecosystem. A series of high impact policy actions and resultant commercial positioning buffeted natural graphite demand in China, and AAM demand in customer markets outside China throughout 2024. Syrah needed to be responsive to these external factors, particularly with another year of volatile Chinese sales demand, and interruption at Balama caused by protest actions in the fourth quarter.

The safety and well-being of Syrah's people remains the Company's highest priority. Syrah continues to focus on strong leadership, accountability, and using safety management systems to identify and mitigate potential risks to the workforce. This focus was particularly evident during campaign-style production and the early operations of the completed commercial expansion at Vidalia in 2024. Overall, the Company recorded a low Total Recordable Injury Frequency Rate (TRIFR) of 1.6 at year-end. However, a Balama employee sustained a permanent impairment injury in the third quarter, marking the first significant lost-time injury at the site in six years. The Company continues to provide ongoing care and support to the employee. An internal investigation into the incident, communication of key learnings, and the renewed commitment of all leaders and team members to safe operations have been key actions arising from this event.

Syrah is deeply committed to the development of local employees at both Balama and Vidalia. As of year end, more than 98% of the 1,150 direct and contractor employees at Balama are Mozambican, with 45% from the local host communities surrounding Balama. More than 90 direct employees are based at Vidalia, with 56% from Louisiana and 76% from the local "Miss-Lou" region. Syrah has a strong focus on localisation, with a proven track record of skills development and career progression within the teams. Opportunities have been created through the Company's investments and the rapidly evolving global graphite product markets. Since 2016, the Company has made significant investments in training and development, with low turnover and high employee satisfaction reflecting the importance of these efforts.

Syrah is also committed to maintaining the highest standards of conduct in all its business activities, promoting a culture of integrity, transparency, and corporate social responsibility. To support this, Syrah aligns its practices with leading ESG frameworks, including the International Council on Mining and Metals ("ICMM") Mining Principles, the United Nations Sustainable Development Goals, the Global Reporting Initiative, and the International Finance Corporation Performance Standards on Environmental and Social Sustainability. Syrah's commitment to responsible mining practices was recognised when Balama achieved the IRMA 50 level of performance against IRMA's Standard of Responsible Mining. This achievement is the first in the global graphite industry and the first in Mozambique. IRMA is one of the most comprehensive voluntary mining standards worldwide.

Throughout the year, Syrah dealt with a very difficult set of conditions for the operation of the assets. The Company needed to be responsive to external factors, particularly for Balama with another year of volatile Chinese sales demand, and interruption caused by protest actions combined with a lack of Government resources around Mozambique general elections in the final quarter of the year.

Balama's campaign operating mode through the first half was driven by coarse flake inventory triggers, and low fines demand from China. From late in the third quarter and through the remainder of 2024, an isolated but impactful community protest action inhibited access to Balama, leading to the demobilisation of most of Syrah's personnel and, ultimately, declaration of force majeure under the mining agreement with the Mozambique Government in December 2024. This action is related to resettlement compensation received prior to the commencement of Balama operations, with about 800 small farms successfully resettled through a detailed joint Government and Syrah process. The Company is committed to ensuring ongoing collaboration with the Government and full transparency of process.

For a second consecutive year, Balama sales were hugely impacted by China's dominance of, and Government policy intervention in, the synthetic graphite, natural graphite and AAM markets throughout the year, impacting Chinese spherical and anode customer demand for Syrah's natural graphite products. Sales of Balama natural graphite products declined significantly in 2024, with only marginal sales to the Chinese anode market. Coarse flake demand and price indicators were strong. However, Syrah's coarse flake availability for sales was constrained by low production driven by low fines demand.

EV and battery manufacturing companies continued to commit to expanding global EV and battery manufacturing capacity to meet growing demand. Anode production facilities outside of China, which require significant volumes of ex-China natural graphite feedstock, are in various stages of development.

Syrah made progress in its medium-term natural graphite sales strategy to balance integrated consumption through Vidalia, with an increasing proportion of sales volume ex-China, and residual sales volumes to China. In addition to spot natural graphite sales to BTR Indonesia, and a multi-year natural graphite offtake with POSCO Future M for supply to South Korea, the Company has executed offtake agreements or is engaged commercially many other ex-China natural graphite anode project companies, as well as auto OEMs and battery manufacturers, for long-term natural graphite supply from Balama. These commercial sales arrangements with ex-China anode customers and Government policy developments highlight the strategic importance of Syrah to the global battery and anode supply chain, considering its offering of large volume, reliable source of natural graphite supply outside of China, which is significantly differentiated in quality and ESG standards in production. Whilst it has taken some time, these developments represent a turning point in the structure of global natural graphite and AAM markets.

Syrah achieved the milestone of becoming the first commercial-scale, vertically integrated natural graphite AAM supplier for USA and other ex-China supply chain participants and OEM customers. Vidalia's construction was safely completed in February 2024, and commercial AAM production commenced in the first quarter. However, operating capacity utilisation at Vidalia was kept low through the year as it became evident that customer qualification would take longer to achieve, and sales would not commence in 2024. Vidalia operated only to produce AAM volumes required for qualification purposes and product development, thereby minimising operating costs and inventory capital. Syrah significantly progressed these qualification processes with potential customers, with Vidalia production achieving targeted quality specifications and exhibiting required product performance.

The Company is optimistic that its customers will complete these processes, and Syrah will commence commercial AAM sales in 2025. Subsequent to year end, Syrah executed a multi-year binding supply agreement with Lucid Group, Inc for the supply of natural graphite AAM from Vidalia, USA, with deliveries expected to commence in January 2026, which when combined with the existing offtake contract with Tesla will account for the majority of available AAM capacity from Vidalia. The Vidalia operation is pivotal for both Syrah and the North American battery supply chain, forming the foundation of the Company's downstream growth strategy.

In 2024, global EV sales grew by 23% year on year, reaching 16.5 million units, while Chinese AAM production increased by 24% year on year, driven by significant synthetic graphite AAM production. In the final quarter of 2024, the Chinese Government implemented permanent export licence controls for designated graphite products and introduced stricter licence controls for graphite products exported to the United States. Despite this, exports of graphite products from China to most major international markets rose throughout 2024, with the exception of India. EV and battery manufacturing companies continue to make substantial commitments to expanding global EV and battery manufacturing capacity to meet rising demand across all regions, including the USA, with development advancing rapidly. Anode processing facilities outside of China, which will require significant volumes of ex-China natural graphite feedstock, are progressing through various stages of development. The structure of global natural graphite and AAM markets, along with the growth of ex-China supply chains, is being supported by government policies such as the US Inflation Reduction Act and the EU Critical Raw Materials Act.

Syrah is committed to capitalising on its competitive advantage in 2025 to cement its leading position in the global natural graphite and AAM markets. In 2025, Syrah is focused on:

- Resuming Balama operations and natural graphite production, and ensuring enduring community benefit and support;
- Achieving higher and more stable utilisation of Balama's production capacity, reducing unit costs;
- Commencing large-scale fines sales to 3rd party AAM facilities outside of China;
- Progressively increasing AAM production at Vidalia AAM facility, ensuring product quality and maintaining safety;
- Completing qualification of the Vidalia AAM facility with customers;
- Commencing commercial AAM sales from Vidalia;
- Preparing for a final investment decision on the Vidalia Further Expansion project; and
- Continuing to develop options to further accelerate capacity expansion in the graphite and anode supply chain.

Syrah is uniquely positioned to benefit from increasing EV adoption and energy storage capacity across global markets vital to decarbonisation, battery supply chain development, and the increasing focus on security of critical battery minerals supply in the United States and Europe. This is expected to lead to growth natural graphite and AAM demand and

improvement in market structure, which will undoubtedly lift Syrah's performance. However, maintaining control of strategic assets and generating capital development options to support ongoing market participation are imperative for the Company to execute its strategy and deliver shareholder value. Syrah's significant capital investment, years of operational experience, deep customers relationships, and intellectual property development is unique outside China in the graphite and anode supply chain. Balama is the premier asset in the global natural graphite market, producing high-quality material. The Syrah team is accumulating knowledge and learning best practices in commercial production at Vidalia and customer qualification processes, which extends the Company's advantage over other aspiring early-stage AAM companies.

Results Summary

Period ended (US\$ million)	31 Dec 2024	31 Dec 2023
Revenue	31.5	47.7
Cost of sales	(103.4)	(72.5)
Total other expenses including inventory write downs	(31.6)	(45.3)
Net loss before net finance expenses and income tax	(103.4)	(70.1)
Net loss after income tax	(125.3)	(85.3)
Net cash inflow/(outflow) from operating activities	(78.6)	(59.9)
Net cash inflow/(outflow) from investing activities	(24.1)	(138.6)
Net cash inflow/(outflow) from financing activities	105.9	195.6

Balance ended (US\$ million)	31 Dec 2024	31 Dec 2023
Cash and cash equivalents	87.5	84.9
Total assets	692.1	700.0
Total liabilities	309.9	346.4
Net assets	382.2	353.6

This release was authorised on behalf of the Syrah Board by

Shaun Verner, Managing Director

Investor Relations Contact:

Viren Hira

T: +61 3 9670 7264

E: v.hira@syrahresources.com.au

Media Enquiries Contact:

Nathan Ryan

T: +61 420 582 887

E: nathan.ryan@nwrcommunications.com.au

About Syrah

Syrah (ASX code: SYR) is an Australian Securities Exchange listed industrial minerals and technology company with its flagship Balama Graphite Operation in Mozambique and a downstream Active Anode Material Facility in the United States. Syrah's vision is to be the world's leading supplier of superior quality graphite and anode material products, working closely with customers and the supply chain to add value in battery and industrial markets.

Forward Looking Statement

This document contains certain forward looking statements. The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan", "targets" and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward looking statements. Forward looking statements, opinions and estimates provided in this document are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

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