

ASX RELEASE  
27 February 2023

## LYNAS RARE EARTHS HALF YEAR 2023 RESULTS

*Continued strong performance*

	1H 23	1H 22
• Net Profit after tax:	\$150.1m	\$156.9m
• Revenue:	\$370.0m	\$314.8m
• EBIT:	\$158.0m	\$161.9m
• EBITDA:	\$189.0m	\$189.8m
• Cost of sales:	\$185.0m	\$140.3m
• Closing cash and cash equivalents:	\$934.2m	\$674.2m

Lynas Rare Earths Limited (“Lynas”) (ASX: LYC, OTC: LYSDY) today released its Financial Report for the half year ending 31 December 2022.

Lynas Rare Earths CEO and Managing Director, Amanda Lacaze, commented: “I am pleased to present strong results for first half of the 2023 financial year. Lynas achieved revenue of \$370 million and a net profit (NPAT) of \$150.1m. During the period, we invested \$240 million in capital projects. Our closing cash balance of \$934.2m reflects the strong business performance during the period.

“These results were achieved despite significant production challenges due to water supply issues in the first quarter and the start of the second quarter as well as rapid increases in costs, particularly for chemical inputs.

“Our team remains focused on increasing operational efficiencies to mitigate the continuing high cost environment. At the same time, increasing production to meet strong demand from our key customers and delivering on our exciting growth projects remain key priorities.”

Ms Lacaze continued: "While rare earths market pricing decreased slightly from the highs experienced at the end of the 2022 financial year, market conditions remained stable and an optimised product mix enabled the team to achieve an improved average selling price."

### ***Malaysian Operating Licence renewed***

Following the end of the half year, on 14 February 2023, Lynas received notification that Lynas Malaysia's operating licence will be renewed, effective from 3 March 2023 for a period of 3 years. The licence has been renewed with no change to the licence conditions that were applied to the licence issued in March 2020 which prohibit the import and processing of lanthanide concentrate after 1 July 2023, and which Lynas had applied to have removed.

Lynas Malaysia has now submitted two administrative appeals to the Malaysian Government against these licence conditions. The first appeal is against the decision of the Atomic Energy Licensing Board (AELB) in failing to consider Lynas' application for the removal of these licence conditions while the second appeal is seeking administrative review of the conditions (as announced 16 February 2023 and 24 February 2023 respectively).

### ***Progress on major projects***

Construction activity on Lynas' Kalgoorlie Rare Earths Processing Facility accelerated during the half year. Recruitment of the Facility's operational leadership team is complete and members of the team are resident in Kalgoorlie and focused on the completion of construction and preparations for commissioning and ramp up. Feed on at the Kalgoorlie Rare Earth Processing Facility is targeted for Q4 FY23.

The Kalgoorlie Facility is important for business continuity as well as growth. Its importance is highlighted following the announcement of the renewal of the Lynas Malaysia operating licence with conditions prohibiting the import and processing of lanthanide concentrate from 1 July 2023. If not removed, these conditions would require the closure of the Malaysian cracking and leaching plant. Due to the inherent unpredictability of commissioning, Lynas continues to plan for several potential ramp up scenarios. Inventory is being built at all stages in the process to assist in meeting key customer requirements during any transition period.

In Malaysia, construction is well underway on facilities to receive the mixed rare earth carbonate (MREC) feedstock from the Kalgoorlie Facility and the equipment needed to integrate the new facilities with downstream processes at the Lynas Malaysia plant.

The Mt Weld Expansion Project is progressing well, including Detailed Engineering Design, procurement of long lead time items and award of packages. The bulk earthworks contractor mobilised in January and has commenced site works.

Applications for the two major environmental approvals for the project have been submitted and subject to relevant regulatory and stakeholder approvals, full operation is planned for 2024.

Lynas continues to progress its deliverables under the previously announced contracts for the development of a U.S. Rare Earths separation facility. A proposed site in an existing industrial area on the Gulf Coast of Texas has been identified and the activities associated with site acquisition are nearing completion.

### **CEO Commentary**

Lynas Rare Earths CEO and Managing Director, Amanda Lacaze, commented:

“This has been an eventful half year for Lynas with the announcement of our Mt Weld capacity expansion project and accelerated construction activity on the Kalgoorlie Facility. At the same time, in Malaysia we overcame significant water supply issues to deliver a strong production result.

“We continue to see increased demand from our customers who value Lynas’ unique position as a responsible and reliable supplier and we remain focused on serving our customers by executing our ambitious growth plan.”

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