

# ASX Announcement / Media Release

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## 2025 Annual General Meeting Chair's Address

Syrah Resources Limited (ASX: SYR) ("Syrah" or "Company") provides a copy of the Chair's Address, which will be delivered at the Company's Annual General Meeting today.

### ADDRESS BY THE CHAIR, JIM ASKEW

Good morning and welcome to Syrah Resources' 2025 Annual General Meeting.

Natural graphite and anode market conditions through 2024 continued to be affected by Chinese over-supply and industrial policy. Excessive production, capacity growth and intense competition in synthetic graphite active anode material ("AAM") in China depressed pricing and reduced capacity utilisation at every upstream step of the Chinese domestic anode material and global natural graphite industries.

Elections in Mozambique and the United States in late 2024, also greatly influenced the Company's performance and strategy execution, along with major EV materials related policy changes in both China and the US. Balama's natural graphite production and sales volumes in 2024 were severely impacted firstly by low Chinese demand, and slower than anticipated ex-China AAM capacity development, and secondly, interruption to production in the last quarter of the year.

Despite these very significant challenges, Syrah achieved some important milestones in 2024.

Syrah completed construction of its commercial AAM facility in Vidalia, Louisiana, and commenced commercial production, becoming the first vertically integrated, commercial-scale producer of natural graphite AAM outside China. Production began in the first quarter of 2024 and has been underway since to support extensive qualification processes with multiple end-users. However, the transition to final qualification, that would lead to the ramp-up of Vidalia's commercial sales, has taken longer than expected – driven by US policy changes and predatory Chinese pricing.

Low demand for imported natural graphite feedstock from Chinese AAM customers led to lower Balama production in 2024, compared with 2023, with the plant operating in discrete production campaigns in the first half of the year, to manage inventory and working capital. Operating performance improved with higher graphite recoveries, and stable grade and product quality. The Company was also highly focused on controlling costs to minimise operating losses at low production levels.

Regrettably, a protest, which was originally linked to a small contingent of farmers with historical farmland resettlement grievances, impeded Balama operations in the last quarter of the year. Resolution of the issue was significantly impacted by extended broader unrest following Mozambique's general elections in October 2024, which continued well into the first quarter of this year.

This interruption led to the Company declaring force majeure under its Mining Agreement in December 2024, whilst continuing to seek resolution of the production interruption. Positively, in April this year we reached a formal agreement between the farmers, Mozambique Government authorities and the Company, which led to the majority of the protestors dispersing. A small group of people that continued to block site access for no legitimate reason were later cleared by the authorities, and access to Balama site was restored earlier this month. Restart activities are now progressing well with production expected to restart next month. Balama's operating infrastructure was not impacted during the interruption and is in good condition.

The very challenging year for Balama natural graphite sales to Chinese anode customers underscored the criticality of Syrah's medium-term strategy to geographically diversify sales. In 2024, a maiden breakbulk fines shipment was completed from Pemba to Indonesia to supply a major new AAM facility operated by BTR, and Syrah executed a long-term supply

agreement with the leading ex-China anode company, POSCO Future M. The commencement of sales to ex-China anode customers will enable higher production levels and improved cost performance at Balama.

Evolving trade and critical mineral policy developments have brought increased attention to Balama and Vidalia from EV and battery supply chain participants and government stakeholders. Despite the dominance of artificial graphite in China, performance and ESG considerations mean that a significant opportunity for natural graphite AAM remains available outside China. Establishing new, high-volume sources of natural graphite for the U.S. supply chain to support growing EV battery demand is a critical risk diversification for OEMs and battery manufacturers. We remain confident in the potential for profitable Balama operations aligned with the growth in ex-China AAM production.

Operations at Vidalia have been focused on process consistency, resolution of minor startup issues, ensuring product quality and maintaining operating safety. Qualification processes have progressed well with a range of potential customers. These are complex and time-consuming processes. Offtake AAM sales will commence following the completion of product qualification and threshold AAM production rates being achieved at Vidalia. The Vidalia team is accumulating significant experience through operations and qualification interactions with customers. Whilst focused on cost management, Syrah also completed transition engineering, permitting and other long lead procurement activities to prepare for a final investment decision for the next phase of Vidalia's expansion. Vidalia's supply capability, independence from China, cost and quality advantages through vertical integration with Balama, and strong integrated ESG credentials continue to receive growing recognition and support from customers and United States Government agencies.

In 2024, Syrah completed a A\$98 million equity raising and reached an agreement with AustralianSuper Pty Ltd as trustee for AustralianSuper ("AustralianSuper"), a long-term shareholder in Syrah, to convert two series of Convertible Notes into shares, simplifying the Company's capital structure. AustralianSuper now directly holds, or has a beneficial interest in, ~33% of Syrah's ordinary shares.

The Company received initial funding from a loan from the United States International Development Finance Corporation ("DFC") in the final quarter of 2024. This loan strengthened Syrah's liquidity position and provided an important Balama working capital backstop. Certain historical events of default on the DFC loan and Syrah's loan with the United States Department of Energy ("DOE") that were triggered by the Balama protests, interruption to Balama operations and other related matters remain subject to ongoing discussions. DOE and DFC have continued to work constructively with the Company, and have been supportive lenders to Syrah through challenging circumstances.

Syrah's workforce, who are predominantly local to the production assets, continue to develop a unique ex-China skill set, and have been understanding of the flexibility that has been required given market conditions, and are eager to participate in world class operations at Balama and Vidalia. Given the non-continuous operating environment for both assets, Safety has been a very high priority. This year we recorded a Total Recordable Injury Frequency Rate ("TRIFR") for the Syrah Group of 1.6 at year end, slightly higher than the prior year. A Balama employee sustained a permanent impairment injury in the third quarter, the first significant lost time injury at Balama in six years. The incident occurred during emergency response to a minor grassfire. A thorough investigation was undertaken and learnings continue to be implemented across the Company. We continue to provide high quality care and support to the injured employee through his recovery.

Syrah is committed to being an exemplary corporate citizen in Mozambique and within its host communities, with a strong focus on local employment, capacity building, and ongoing community development initiatives aligned with leading ESG frameworks. The positive social, economic, and developmental contributions of Balama were recognised in 2024 with the attainment of the Initiative for Responsible Mining Assurance ("IRMA") 50 achievement level, a first globally for a graphite operation and a first for any mining operation in Mozambique. In the United States, the Vidalia facility is delivering clear economic and community benefits to the City of Vidalia and Concordia Parish in Louisiana. Syrah continues to proactively engage with the local community to ensure that the facility is recognised as an important contributor to the regional economy and remains well supported.

At the corporate level the Board engaged with shareholders and a governance adviser to understand the concerns that led to a "first strike" to adopt the Remuneration Report last year. Recognising this feedback, the 2024 Remuneration Report incorporates increased disclosures to provide greater transparency for shareholders and includes a more detailed rationale for the award of performance-based remuneration to key management personnel ("KMP").

Corporate KPIs and performance against personal KPIs, resulted in meaningfully lower Short-Term Incentive grants being awarded for 2024, compared with 2023, to KMP. The Long-Term Incentive plan, driven by shareholder value creation, did not vest in 2024, given the Company's relative and absolute total shareholder return performance over the preceding three years.

In 2020, the Board of Directors implemented a Five-Year Performance and Retention Incentive ("5YPRI"). Seventy percent of the final tranche of the 5YPRI vested for KMP and 585,000 performance rights under the 5YPRI lapsed at the end of 2024, reflecting the balance of the achievement of Year 5 KPIs. Motivating and retaining the Executive and Senior Leadership teams through market competitive remuneration and benefits is critical to support future success of the Company's businesses, given the very long timeframes for development in this industry, and the unique knowledge and experience required to operate in the ex-China market. It is incumbent on the Board to implement remuneration strategies that grow shareholder value given market conditions and policy settings. Syrah's Executive and Senior Leadership teams' have seen very low turnover through five years of highly challenging conditions, and their continued contributions are essential to achieving the Company's strategic long-term objectives.

The Board thanks the Syrah management team and employees across the Group for their resilience and ongoing strong commitment to the Company's strategy. The Company's first mover advantage and strategic position has strengthened with external challenges in the last few years, and we strongly believe the capital deployed and effort of the teams will be rewarded. In 2025, Syrah is targeting greater participation in ex-China markets, higher Balama sales and production to move towards breakeven operations, ramping up operations and commercial AAM sales arrangements at Vidalia, and pursuing commercial and expansion opportunities to create shareholder value.

Earlier today, Syrah announced to the ASX my intention to retire from the Syrah Board by December 2025. This will occur after a new Chair is appointed and a transition completed. The selection process is well advanced and is being run by my colleague, Lisa Bahash, Chair of the Remuneration, Nomination and Governance Committee.

I've had the privilege of chairing Syrah from late 2014, when the Company was commencing a DFS on Balama and before its strategy of creating a vertically integrated AAM provider to the global battery industry had matured. It was, back then, a euphoric period of predicted EV growth, of aspirational targets for renewable energy, and a still developing US vision regarding both these matters. In natural graphite, the pure scale and grade of the Balama deposit was re-defining the future supply chain dynamics for fines graphite into the emerging demand for natural graphite AAM feedstock.

Syrah completed Balama's construction in 2017 and by 2019 was rapidly becoming the dominant supplier of AAM feedstock into China, and had established a solid coarse graphite business globally. The Company had also embraced a strategy of developing the first vertically integrated commercial AAM facility outside China, in Louisiana.

Supply chain challenges during COVID and ongoing Chinese market dynamics led to significant disruption in Syrah's development right at the time when the Company's potential impact on Chinese dominance in natural graphite AAM supply was becoming evident. Production at Balama was impacted for more than a year and a longer development timeframe was implemented for the US AAM facility.

Since then, Syrah has completed Vidalia's construction and has been undertaking the all-consuming process of qualifying Vidalia AAM products to move into higher commercial production volume. Balama has been operating on a campaign basis as global supply dynamics, geopolitical policy developments, and Chinese trading tactics have continued to evolve.

We have been able to continue this development through the unwavering support of many shareholders, including our largest investor, AustralianSuper. More recently, support via loans from DOE and DFC in the United States have augmented our capacity to endure the brutal trading conditions which continued as the ex-China market developed.

Syrah has established a unique business platform in the global lithium-ion battery business and is now well positioned as ex-China requirements are increasing. None of this would have been possible without the mighty effort of your Executive team and employees. It has been one of the highlights of my almost 50 years in the global natural resources business to have been associated with this Syrah team. Their professional commitment and tenacity to deliver on behalf of shareholders is without peer.

To my fellow Directors, it has been a privilege to share the journey at Syrah and I leave comfortable that the Company is in excellent hands, with a seasoned Board up for the future challenges and ultimate success of Syrah.

In all likelihood, this will be my last opportunity to address you. Thank you for your support through the years.

**This release was authorised on behalf of the Syrah Board by**

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## 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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