# Chair's letter



## Eileen Carr

Non-Executive Chair

(4E) PGM production for FY2026 exceeded guidance and reached an all-time record of 95,885 ounces, which is an 18% increase over last year's record performance of 81,002 ounces. Thanks, and congratulations, are extended to each of our operating plants for their continued hard work in producing such an excellent result. Guidance for this coming year has been set at a range of 85,000 to 95,000 (4E) PGM ounces.

### Dear Shareholder,

I am pleased to report another stellar year in the performance of the Sylvania Operations located in the Bushveld Igneous Complex (BIC), north of Johannesburg, with annual production of (4E) PGMs reaching 95,885 ounces, a company record, and exceeding our guidance, once again, by a pleasing margin.

### Market overview

This performance was achieved during a period of strong, albeit volatile, pricing with our PGM basket price oscillating between $1,507 per ounce in FY2025 and $2,404 per ounce in FY2026. Like most commodity prices, the effect of the Middle East conflict was apparent in the PGM space. Sanctions, increasing fuel prices and inflation all added to a tumultuous year and was reflected in the PGM basket price and operating costs.

### Demand

PGM demand fundamentals have been characterised by resilient yet mixed performance across major end-use sectors, keeping key metal markets like platinum in structural deficits despite broader macro-economic headwinds. The primary driver remained the automotive catalyst industry, where demand proved surprisingly durable; slower-than-expected battery electric vehicle (BEV) adoption rates, alongside expanding global hybrid vehicle sales, which require higher PGM loadings to manage cold-start emissions, sustained autocatalysts intake even amid softer overall light-duty vehicle production.

Platinum continued to capture market share from palladium due to ongoing substitution in gasoline converters, while industrial demand (chemical, petrochemical, and electronics) stayed mostly steady, save for minor destocking and weakness in the display glass segment. Simultaneously, investment and jewellery demand provided localised support, buoyed by strong gold prices lifting platinum jewellery interest even as long-term growth expectations for hydrogen applications (such as proton exchange membrane (PEM) electrolysers and fuel cells) adopted a more measured trajectory.

## Supply

PGM supply fundamentals have been defined by persistent operational constraints, operational rationalisation and sluggish secondary recovery, resulting in an overall contraction in refined primary and secondary output.

Major production hubs faced sustained headwinds. In South Africa, the dominant global PGM producer, output was squeezed by lower real capital expenditure, margin-protecting shaft rationalisations and the tapering off of work-in-progress inventory releases that had previously cushioned refined production volumes. Russian supply experienced downward pressure due to changing ore grades and operational adjustments at key assets, while North American volumes were capped by mine closures and late-life production declines.

Autocatalysts recycling remained depressed relative to historical peaks. High consumer vehicle retention rates, lower scrapping numbers and lingering regulatory and administrative bottlenecks across scrap collection chains limited spent catalyst intake, preventing secondary recovery from offsetting primary mine deficits.

Consecutive years of primary market deficits continued to draw down total above-ground inventories. Regional shifts, such as increased physical flows into US and Asian warehouses driven by trade policy positioning and strategic stockpiling, further restricted spot market liquidity, leaving physical availability exceptionally tight and highly sensitive to operational shocks.

## Chrome

The first half of the 2026 calendar year was characterised by resilient demand, persistent logistical friction and tight inventory levels at Chinese ports. Despite broader macro-economic headwinds, Chrome ore prices remained structurally elevated, driven by robust Chinese ferrochrome production and ongoing inland and port logistics constraints in South Africa.

The outlook for the next six months points to a finely balanced market with limited room for sharp price declines.

High production costs for South African miners (inflation, diesel, road-freight premiums) make Upper Group 2 (UG2) platinum reef chrome ore concentrate prices below $260 per dry metric ton (dmt) to $270 per dmt (based on 42% $Cr_2O_3$ product, including cost, insurance and freight (CIF) in China) highly unlikely, as lower prices would curb high-cost road-hauling volumes and the middle group (MG) chrome ore concentrates, as we are processing at Thaba JV, typically attract a $15 per dmt to $20 per dmt CIF premium over UG2. Chinese domestic ferrochrome prices are under pressure from high supply. If smelter margins turn negative, we may see localised production cuts in northern China (Inner Mongolia), which would temporarily cool chrome ore demand. Additionally, the standard year-end winter logistics dip in South Africa and potential wet-weather disruptions in early Q4 (calendar year) present upside risks to pricing. Therefore, in our view, South African 42% $Cr_2O_3$ MG concentrate is expected to trade in a volatile but stable band of $280 – $320/dmt CIF through December 2026.

## Operational and financial performance

As previously mentioned, (4E) PGM production for FY2026 exceeded guidance and reached an all-time record of 95,885 ounces, which is an 18% increase over last year's record performance of 81,002 ounces. Thanks and congratulations are extended to each of our operating plants for their continued hard work in producing such an excellent result. Guidance for this coming year has been set at a range of 85,000 to 95,000 (4E) PGM ounces.

Profit for the year amounted to $66.4 million, which is a 229% increase on 2025 and reflects not only the increase in our US$ basket price, but also the increase in production. One point to note is that due to the four-month pipeline of payment from our refiner, pricing is always delayed, which is why there is a pricing adjustment each quarter to reflect the increase or decrease in the basket price at the time of delivery compared to the payment date.

Our capital projects have been well managed with the centralised filtration plant operational since October 2025 and the tailings storage facilities (TSFs) at Mooinooi and Doornbosch both completed during the financial year. Capital expenditure for the FY2026 included $9.0 million attributable capital on the Thaba JV, $3.0 million on the centralised filtration Plant, $9.1 million on TSFs (Lannex $4.5 million, Doornbosch $0.4 million, and Tweefontein $4.2 million) and $0.6 million on exploration projects. All capital projects are fully funded from current cash reserves as we continue the expansion of our production at all operations.

The Company reported a year of significant financial growth, with net revenue increasing by 117% to $226.3 million, which translated into a substantial improvement in profitability, with Adjusted Group EBITDA increasing by 289% to $114.2 million and net profit growing by 229% to $66.4 million.

This strong financial performance has financed our capital programme, and, with a cash balance at 30 June 2026 amounting to $67.2 million, has allowed the Group to declare a final dividend of four pence per share which, added to the interim dividend of two pence, equates to an annual dividend declared of six pence per share, materially higher than the minimum payment required under our dividend policy. In addition, the Group undertook a small share buyback programme of $2.4 million to acquire approximately 2.0 million shares.

## Transition and growth

I reported last year that our Thaba JV, located on the northern part of the western limb of the Bushveld Igneous Complex, had been commissioned post-FY2025 year-end in August 2025. As with most new projects, the plant experienced some challenges post-commissioning and work continues optimising the plant for enhanced throughput and production. This work is likely to continue over the next few months, and we expect the plant to perform at design capacity by the end of December. In addition to the plant, there have been delays in receiving the scheduled ROM ore, both in tons and grade, from the mining contractor.

# Chair's letter continued

Work continues by our joint venture partner, in control of the mining, in optimising this position going forward. I am hopeful that the situation will have been resolved by the time I next write to you but be assured our team is working hard to rectify the position. As a result of these issues, we had to reduce guidance during the year and achieved 50,317 tons of chrome during the period. Our guidance for this coming year has been set at a range of 110,000 to 140,000 tons of chrome.

## Safety and sustainability

The Group is committed to safety and has the wellbeing of its employees and wider community at its core. The Doornbosch operation achieved the milestone of 14 years lost-time injury (LTI)-free and five years total injury-free during the fourth quarter. Lannex achieved six years LTI-free and three years total injury-free, Lesedi reached three years LTI-free and Millsell achieved one-year total injury-free, together with four years LTI-free. These milestones reflect the continued dedication of the Group's safety culture and Sylvania Platinum's commitment to ensuring that all employees remain safe throughout their working day.

Our ESG credentials were recognised during the year with a nomination for the best ESG Report at the Small Cap Awards ceremony in London. Sadly, we did not win, but that should not detract from our effort and commitment in ESG reporting, which continues apace and will be reported on separately.

## Corporate

During the year, our former CFO, Lewanne Carminati, left the Group to pursue a full-time MBA programme. We thank her for her years of hard work and dedication to the Company and wish her well with her studies. Ronel Bosman, who has been with the Company for six years, has replaced Lewanne as Chief Financial Officer (CFO) and we wish her well in her new position. In addition to the change in the executives, Martin Preece joined the Board in February of this year as a Non-Executive Director. Martin, who recently retired from Goldfields, has been a welcome addition to the Board and brings with him many years of mining experience, which has already been put to the test at our Thaba JV. Finally, a welcome to Fritz Schunke, who recently joined as Group Finance Manager and brings many years of experience within mining finance.

## Vision and objectives

As a company, we have grown from an annual platinum group metals (PGM) production of 40,000 ounces to this year's record production of over 95,000 ounces. I believe it is fair to say that we have established our credentials in the PGM retreatment space and have moved into the chrome and PGM mining space, albeit learning from some hard knocks along the way. With our hardworking team of diligent professionals, together with a strong balance sheet, we look to expand our operations when the right opportunities present themselves.

## Future outlook

Our outlook for FY2027 remains positive, with our production guidance set at a range of between 85,000 and 95,000 4E PGM ounces from our SDO and a guidance of between 110,000 and 140,000 tons of chrome from our Thaba JV. We anticipate a sustained pricing range for PGMs and chrome for the coming year. Inflation within South Africa is running at an average of 3.7% a year despite the increase in fuel costs, and we do not expect to see a marked change over FY2027. The South African rand exchange rate with the US$ is currently around ZAR16:US$1, which is more likely a reflection of a weak dollar than a strong rand. As for tariffs, sanctions and continued inflation, the position is uncertain, but as with last year, we can only hope for peaceful conclusions to global conflicts.

## Conclusion and thanks

All that is left is for me to thank all those who have helped make this a record year, including the plant managers of our operating sites, namely: Francis Fako – Operations Manager SDO West, Gert Joubert – Operations Manager SDO East, Bart Peyper – our newly appointed Thaba JV Plant Manager, Bongani Ndlovu – Millsell Plant Manager, Erah Sithole – Mooinooi Plant Manager, Klaas Maphanga – Lesedi Plant Manager, Pierre Harmse – Doornbosch Plant Manager, Samkelwa Galela – Lannex Plant Manager, Theo Nkuna – Tweefontein Plant Manager, and Christiaan de Wet – Chief Operating Officer. All work tirelessly with their dedicated teams to ensure the operations run smoothly.

In addition to our operatives, I would like to thank our host mine, Samancor, for working collaboratively with our team and our Thaba JV partners at Limberg, who work alongside ourselves to bring the Thaba JV into a profitable operation.

Finally, I would like to thank my fellow Non-Executive Directors for their continued support and our CEO, Jaco Prinsloo, for his hard work and dedication over this past year. I would also like to thank you, our shareholders, for your continued support in what I hope will be an exciting year ahead.

Thank you



**Eileen Carr**

Non-Executive Chair

14 September 2026



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