Chair's letter

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Eileen Carr
Non-Executive Chair

Dear Shareholder,

I am pleased to address you in my second letter as Chair, in a period when PGMs are enjoying a much-needed resurgence. Having suffered continued low prices in these metals since the beginning of the 2025 financial year, we were delighted to see most PGMs, namely platinum, palladium, rhodium, iridium and ruthenium, record a marked improvement from the middle of May this year – long may that continue.

Market overview

The year began with great optimism that the supply deficits in the PGM market would surely see a reversal of the downward trend in pricing, but this was not to be the case, with platinum reaching a low of $893/ounce (oz) in April 2025. During London Platinum Week in mid-May, yet more presentations were given highlighting the continued supply deficits, the increased demand for hybrid cars and the fact that recycling was not achieving the levels contemplated. There was a small glimmer that the Chinese jewellery market was increasing its demand for platinum to offset the increased price of gold but the much-heralded increase in PGM prices was still absent. That is until the following week, when prices suddenly increased across the PGM basket.

The reasons for a rebound in prices have been well documented. There is the continued deficit in the supply of platinum for three years in a row, with this scenario likely to continue for the foreseeable future, due, for the most part, to the lack of development of new primary mines and the mothballing of older operations as a result of the continued low metal price and the increase in operating costs, especially electricity, in South Africa. Another factor is the supply of recycled metal, which is still lagging behind forecasts. However, in comparison to primary production, which is fairly inelastic, we could see an increase in scrappage as catalytic converters become more profitable to recycle.

On the demand side, infrastructure is still a major problem for the expansion of electric vehicles in Western economies, with a leaning towards hybrid cars gaining momentum. Hybrid engines require at least similar

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amounts of PGMs than combustible engines, hence demand should remain buoyant. In addition to the automotive industry, demand has increased in both investment and jewellery in China.

The prices, at the time of writing, are in the region of; platinum $1,360 /oz; palladium $1,130 /oz; rhodium $7,290 /oz; iridium $4,640 /oz and ruthenium $920 /oz. Gold content in our concentrate product is too small to feature in our "prill" split.

The chrome market has experienced a dynamic year in 2025. After starting the year at a low point due to a 2024 surplus, prices rebounded sharply in the second quarter. This rally was fuelled by increased stainless steel production in China, which occurred just after the Chinese New Year, and improved profitability for ferrochrome producers, boosting demand for chrome ore. However, this rally has since corrected. The second half of the year has seen prices stabilise, influenced by factors such as a seasonal slowdown in consumption, weakening conditions in the stainless steel market, and a gradual shift from a supply deficit to a tighter equilibrium. The price of chrome ore, specifically South African chrome ore with 40% – 42% concentrate, has hovered around $265 – $270 per metric ton (CIF China), while South African chrome ore with 42% – 44% concentrate was priced at around $285 – $290 per metric ton.

Operational and financial performance

Our operational performance during the year was stellar, for which I thank our operational team and our new Executive Officer: Operations, Christiaan de Wet, who joined us during FY2025. Our performance was such that we had to increase guidance twice during the year and still managed to exceed the upper figure, with annual production of 81,002 PGM ounces marking a Company record. The increase in metal prices from mid-May 2025 has only impacted revenue in the final quarter of the year, but it is excellent to see a quarter-on-quarter gain of 80%, equating to a $2.4 million increase in operating net profit from Q3 FY2025 to Q4 FY2025.

The ongoing capital projects have seen an increase in capital expenditure for the year by 104%. The majority of this spend was focused on progressing the Thaba JV into initial production, which is now in the ramp-up phase. Other significant project capital spend was on the centralised filtration plant ($3.3 million), which will facilitate the conversion of slurry to dry filtered concentrate and improve payability at our operations, and a further $6.8 million was spent on the major build programme for new tailings storage facilities (TSFs) at all SDOs. During the year, three TSF Projects contributed to our capital spend (Mooinooi $3.2 million, Doornbosch $3.3 million and Millsell $0.2 million).

The Company reported a year of significant financial growth for the period ending 30 June 2025. Net revenue increased by 28% to $104.3 million, a result driven by record annual production of 81,002 4E PGM ounces from the SDO and a 13% increase in the average PGM gross basket price. This revenue growth translated into a substantial improvement in profitability, with Group earnings before interest, tax, depreciation and amortisation (EBITDA) increasing by 118% to $29.3 million and net profit growing by 146% to $20.2 million.

The Company's strong financial performance supported a significant, self-funded capital investment programme. Key expenditures during the year included $6.8 million on new TSFs, $3.3 million towards the construction of a centralised filtration plant, and $0.4 million on a collision avoidance system. Despite this planned capital deployment, the Company maintains a robust balance sheet with a cash position of $60.9 million and no debt. The Board has underscored its commitment to shareholder returns by declaring a final dividend of two pence per share, bringing the total for the financial year to 2.75 pence per share, an amount materially higher than the minimum payment required under the Company's dividend policy.

Transition and growth

Alongside our operations, our development team, led by the indomitable Albert Jordaan, was busy constructing and commissioning the plant at the Thaba JV on the northern part of the western limb of the BIC. At steady state, this operation is expected to produce 13,600 4E PGM ounces and 420,000 tons of chrome annually, of which 50% will be attributable to Sylvania. Commissioning, which was delayed predominately due to heavy rains earlier in the year impacting some parts of the construction, commenced during Q4 FY2025 and was completed post-period end, during August 2025. Ramp-up of the operation is underway and we expect to reach steady state production during Q3 FY2026. The capital spend on the project has overrun slightly due to the delayed commissioning, but is in the region of $49 million, funded in its entirety by the Company. The loan to our JV partner currently sits at $24.7 million at 30 June – due for repayment commencing on the first anniversary of commissioning in quarterly tranches over five years. The commissioning of Thaba will see an extra metal stream added to our income line which will help to diversify our revenue as invariably chrome runs counter cyclical to PGMs.

The Thaba JV was an excellent addition to our project portfolio, and we hope to use this as a blueprint for further ventures in the future.

Safety and sustainability

The Company is committed to safety and believes that for any operation to be successful it must have the wellbeing of its employees at its core. The whole Board is delighted that the Company achieved the best overall safety performance in its history during FY2025, with the Doornbosch operation achieving 13 years lost-time injury (LTI) free and four years totally injury-free during the fourth quarter. Furthermore, our combined Eastern operations achieved one full year injury-free.

In addition to the safety of our employees, we also protect the environment and use all resources wisely. With that in mind, our ESG champion and Chief Financial Officer (CFO), Lewanne Carminati, has worked tirelessly to ensure that the Company adopts the correct practices. The management team and her successor will continue building on the strong environment,

Chair's letter continued

social and governance (ESG) foundational values she established in relation to the environment and will continue pursuing sensible and balanced social schemes for the communities located around our operations. This work, together with that undertaken by our human resources team, led by Alpheus Mothiba, ensured that we reached an amicable settlement with the unions on both the Eastern and the Western operations following wage negotiations that have been ongoing throughout the year, resulting in a two-year wage deal.

As mentioned above, we commenced and are in the final stages of construction of our filtration plant that will enhance the recycling of water used in our operations and the introduction of a new collision avoidance system is in line with the government initiative on safety in the workplace.

One key item of concern in any processing environment is the storage of tailings and we take our responsibility extremely seriously in this regard. Our TSFs are monitored on a regular basis and all new designs are in line with best practice. This financial year, we have two new TSFs under construction and three more will follow this coming year.

Corporate

In early September, it was announced that Lewanne Carminati has decided to step down from her position as CFO following 16 years at the Company. She has played an integral part in developing the Company, navigating volatile markets while ensuring our capital management policy maintained Sylvania as a cash-generative company. Her impact in the Company expands outside of finance with her efforts in championing our ESG initiatives, which are in a strong position to continue across the coming year, and supporting the Company in the adoption of best practices to keep Sylvania operating in a sustainable manner. I have enjoyed working with Lewanne and thank her for her tireless dedication and leadership during her tenure and wish her all the best in her future endeavours.

Following an external process, Ronel Bosman, our current Executive Officer: Finance, was selected as the most suitable candidate for the CFO position. I would like to personally congratulate Ronel on this well-deserved promotion and am left with no doubt that she will perform her duties to the highest level and that her expertise and knowledge of the Company will ensure a smooth transition.

Vision and objectives

I hope that I have demonstrated above that our current operations and the Thaba JV are in safe hands and that our teams, whether designing, operating or accounting for them, are efficient and reliable. Additionally, despite the recent increase in metals prices, we are mindful of our responsibility

THE COMPANY MAINTAINS A ROBUST BALANCE SHEET WITH A CASH POSITION OF $60.9 MILLION AND NO DEBT.

to not only maintain but to grow the business in a prudent and sensible manner. Consequently, our CEO, Jaco Prinsloo, is always seeking new opportunities that might fit our list of criteria for new ventures. In addition, much work was undertaken this past year evaluating potential transactions.

Future outlook

Our outlook for 2026 is encouraging with our production guidance set at a range between 83,000 to 86,000 ounces of 4E PGM ounces plus 100,000 to 130,000 tons of chrome, increasing to 200,000 tons in FY2027. South Africa appears to be on an even keel with inflation at 3% and an exchange rate of around ZAR17 to the US$. The global economy is too difficult to predict, with or without US tariffs, but I think we all hope to see peaceful conclusions to all global conflicts.

Conclusion and thanks

In conclusion, I would like to thank our Executive team for its continued dedication to the success of our Company. The Thaba JV is a testament to our collaborative spirit and expertise, and I am confident in our ability to continue navigating the complexities of our industry.

As we move forward, we will continue to focus on operational excellence, prudent financial management and strategic growth initiatives. I am excited about the future of Sylvania and the opportunities that lie ahead.

On behalf of the Board, I would like to express our gratitude to our hard-working employees and our host mine's management for their support. I want to also thank my fellow Non-Executive Directors, namely: Adrian Reynolds and Simon Scott, for their partnership over this last financial year, and to our Executive Directors, Jaco Prinsloo and Lewanne Carminati, for their continuing commitment and leadership. I would also like to offer our thanks to you, our shareholders, for your continued trust and backing. Together, we will position the Company for success, now and into the future.

Thank you.

Eileen Carr

Non-Executive Chair

9 September 2025