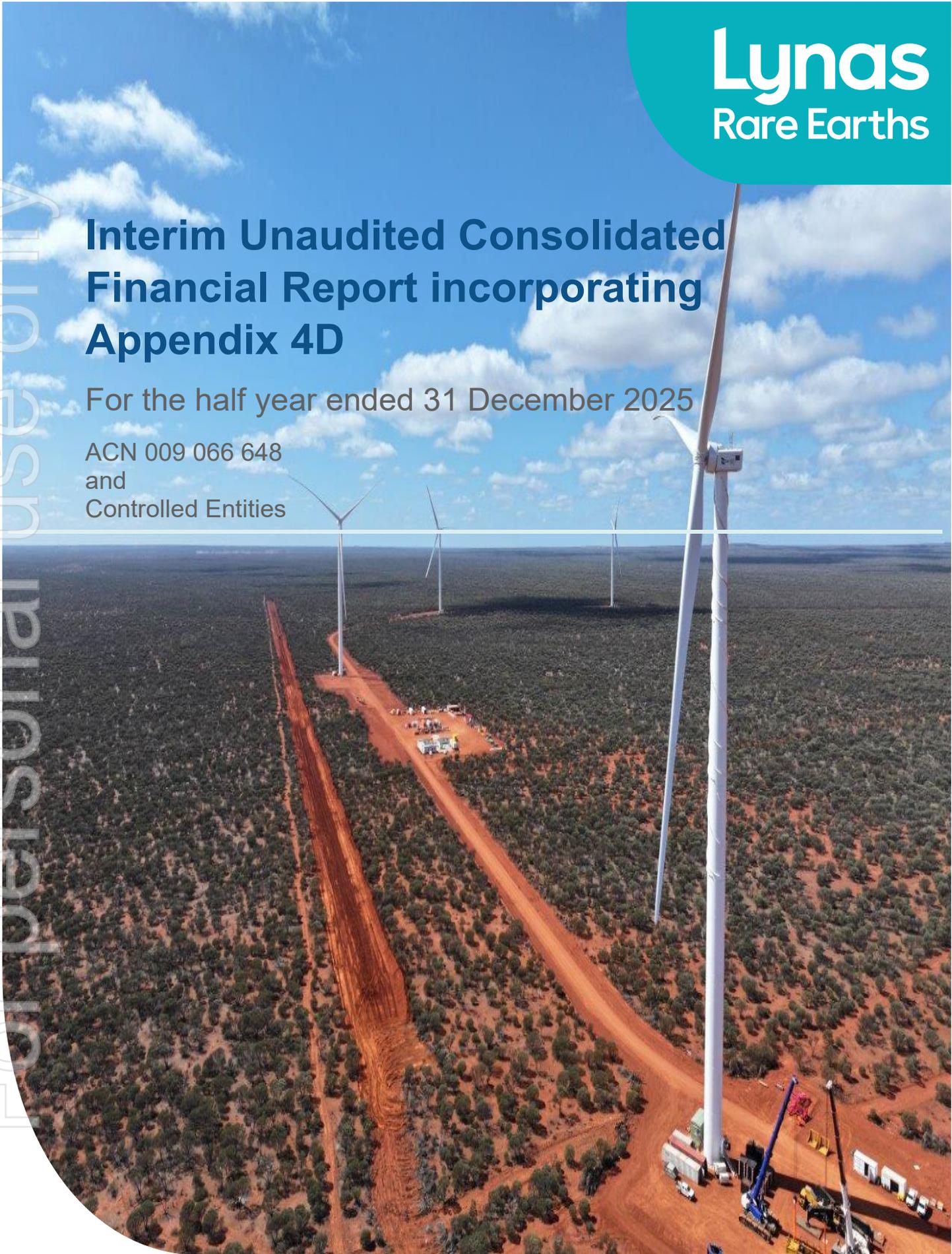


Interim Unaudited Consolidated Financial Report incorporating Appendix 4D

For the half year ended 31 December 2025

ACN 009 066 648
and
Controlled Entities

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Appendix 4D

(Listing Rule 4.2A.3)

Lynas Rare Earths Ltd (ACN 009 066 648)

And Controlled Entities

For the half year ended 31 December 2025

Reporting Period: Half year ended 31 December 2025 (1H 26)

Comparative Reporting Period: Half year ended 31 December 2024 (1H 25)

Results for announcement to market

	1H 26	1H 25	Movement	
	\$m	\$m	\$m	%
Revenue from ordinary activities	413.7	254.3	159.4	63%
Earnings before interest, tax, depreciation, amortisation and treasury charges (EBITDA)	152.4	38.1	114.3	300%
Profit from ordinary activities after tax attributable to members	80.2	5.9	74.3	1,260%
Net profit for the period attributable to members	80.2	5.9	74.3	1,260%

Dividend Information

No dividends have been paid or proposed at 31 December 2025.

Net Tangible Assets

	1H 26	1H 25
Net Tangible Assets per share	335.74	248.10

Directors' report

The Board of Directors (the "Board" or the "Directors") of Lynas Rare Earths Limited (the "Company" or "Lynas") and its subsidiaries (together referred to as the "Group") submit their report for the half year ended 31 December 2025.

Directors

The names and details of the Company's Directors who were in office during or since the end of the financial half year are as set out below. All Directors were in office for this entire period unless otherwise stated.

John Humphrey	Non-Executive Chair
Amanda Lacaze	Managing Director
Philippe Etienne	Non-Executive Director
Grant Murdoch	Non-Executive Director
Vanessa Guthrie	Non-Executive Director
John Beevers	Non-Executive Director
Kathleen Bozanic	Non-Executive Director (Appointed 26 November 2025)

Review of operations

Financial highlights

Lynas has recognised a Net Profit After Tax of \$80.2m for the 6-month period to 31 December 2025 ("1H 26"). Revenue increased in this period as a result a higher NdPr sales as well as initiatives implemented to improve average pricing, including the first sales of Dysprosium (Dy) and Terbium (Tb).

	1H 26	1H 25	Movement	
	\$m	\$m	\$m	%
Net Sales Revenue	413.7	254.3	159.4	63%
Cost of Sales	(271.7)	(205.3)	66.4	32%
Gross Profit	142.0	49.0	93.0	190%
Net Profit Before Tax	87.0	7.0	80.0	1,143%
Net Profit After Tax	80.2	5.9	74.3	1,259%

NdPr family sales volume increased by 14% for the period while total rare earth oxide (REO) sales volume has increased by 6%, reflecting a continued focus on the NdPr family of products.

Cost of sales increased by 32%, due to the 14% increase in NdPr sales volume and a full 6 months of operating production and increased operational costs from Lynas Kalgoorlie. A further 8% of the increase related to the recognition of depreciation for these new assets. This result also reflected the financial impact of significant power supply disruptions affecting the Kalgoorlie Rare Earths Processing Facility during the half year and maintenance activities in Kuantan.

On the pricing front, the average China domestic price of NdPr (VAT excluded) increased from US\$49/kg in December 2024 to US\$74/kg in December 2025 which contributed to the increase in revenue. This reflects a gradual improvement to the overall market conditions over the period. Lynas achieved an average REO selling price of \$68.4/kg in 1H 26 across all rare earth products, up from \$44.6/kg in 1H 25. The upward trend has continued into January 2026 with the average China domestic price of NdPr (VAT excluded) approaching US\$100/kg.

	1H 26	1H 25	Movement	
	t REO	t REO	t REO	%
Sales volume total	6,050	5,708	342	6%
Sales volume NdPr	3,637	3,178	459	14%
NdPr contribution to total sales	60%	56%		

Operational highlights

Lynas strengthened its balance sheet during the half year through strong operational results and the completion of an equity raising. The equity raising will support the Company's strong growth agenda through the *Towards 2030* growth strategy which was announced during the period.

Towards 2030 sets out Lynas' plan to optimise performance from the Lynas 2025 capital investments and progress new growth opportunities.

The equity raising comprised a \$750 million institutional placement and a ~\$182 million Share Purchase Plan for retail shareholders.

The institutional placement attracted significant demand and support from both existing shareholders and new investors. The successful completion was announced the following day. The Share Purchase Plan also received strong support from eligible shareholders and Lynas exercised its discretion to accept all valid applications. As a result, the Share Purchase Plan increased to ~\$182 million from the initial target of \$75 million.

The half year operational results, both production and sales, were strong, despite challenges in November and December due to power disruptions at the Lynas Kalgoorlie Rare Earth Processing Facility and major planned kiln maintenance at Lynas Malaysia.

- Gross sales revenue increased to \$413.7m from \$254.3m in the prior half year, driven by a 14% increase in NdPr sales, increased demand from strategic customers, and an increased average selling price due to improvements in the NdPr market price for NdPr and an increasing share of sales at prices independent of the market index.
- Ready for sale REO production increased to 6,375 tonnes, including 3,407 tonnes NdPr.

During the half year, Lynas announced progress on strategic growth plans including:

- The first customer contracts signed for separated Heavy Rare Earth oxides (Dy, Tb) and products shipped to customers, with pricing reflecting the strategic value of these materials.
- Announcement of an expanded Heavy Rare Earths separation facility at Lynas Malaysia that will increase HRE production capacity and meet customer need for an expanded suite of separated HRE products.
- Completion of commissioning of the Mt Weld expansion project, with the new flotation circuit ramped up to 70% of nameplate.
- Successful completion and commissioning of the Mt Weld hybrid renewable power station, achieving 92% renewable electricity production in December 2025, well above the targeted 70% renewable content.
- A Memorandum of Understanding (MoU) was signed with Korean permanent magnet manufacturer JS Link to develop a rare earth permanent magnet facility in Malaysia
- A MoU signed with the only operational U.S. manufacturer of sintered rare earth magnets, Noveon Magnetics, to form a strategic partnership aimed at establishing a scalable, domestic U.S. supply chain for rare earth permanent magnets
- Both MoUs are non-binding and subject to definitive agreements which are being progressed.

During the half year, raw materials and consumables inventory was proactively increased to safeguard against potential disruptions arising from recent geopolitical developments, evolving global logistics conditions and global trade uncertainties.

Mt Weld

Mining and Production

Mining operations continued during the period, moving to day shift only from September 2025. This will provide sufficient feedstock for current and near term needs for the Kalgoorlie Rare Earths Processing Facility and the Lynas Malaysia Advanced Materials Plant, whilst also optimising production costs in the long term. The high efficiency of mining operations during the December quarter meant that ore requirements were delivered ahead of schedule.

Construction and commissioning of the Mt Weld hybrid renewable power station was completed during the half year. This has contributed to excellent energy generation performance and in December 2025, 92% of electricity produced by the power station was from renewable sources. Hand over of the wind turbines to Lynas operations occurred in January 2026.

Commissioning of the Mt Weld water recycle plant was also largely complete in the December 2025 quarter and has demonstrated capacity to achieve target rate of 90% of tailings water recycled.

Mt Weld Expansion

Commissioning of the Mt Weld expansion project was largely complete in the December quarter, and the flotation process was running steadily at 70% of design capacity in December 2025. The focus has now turned to optimising production costs and recoveries.

Lynas Malaysia

As announced on 29 October 2025, Lynas will construct an expanded Heavy Rare Earth (HRE) separation circuit at Lynas Malaysia. The first modifications have been executed for the Heavy Rare Earths (HRE) expansion at Lynas Malaysia and first production of Samarium is forecast in the June 2026 quarter. Detailed engineering for the full HRE separation facility is progressing well and major equipment will be purchased before the end of the March 2026 quarter.

Production of Heavy Rare Earths from the current HRE separation circuits continued, with 35 tonnes of Dy and Tb, produced during the half year period, representing a steady increase in volumes since commencing production.

As disclosed on 25 November 2025, Lynas Malaysia undertook major maintenance work in the Cracking & Leaching section during the December quarter. This reduced Lynas Malaysia's cracking and leaching capacity during the quarter. This major maintenance work involved over 30 subcontracting companies and was executed to schedule and without any safety incident. Lynas Malaysia cracking and leaching was successfully restarted in early January 2026 and the team is focused on maximising production volumes.

The remaining Lynas Malaysia production was reliant on Kalgoorlie MREC feedstock which was heavily affected by the power disruptions mentioned below.

Lynas Kalgoorlie

At the Kalgoorlie Facility, most process modifications targeting quality and productivity improvements have now been successfully executed.

However, as disclosed in the ASX announcement "Kalgoorlie Power Supply Disruptions" on 25 November 2025, the Kalgoorlie Rare Earths Processing Facility was affected by significant power disruptions during 2025 with an increase in outage frequency and duration during November 2025. This led to lost production during November, which significantly reduced the ability to feed Malaysian production in December. Following engagement with the external electricity provider and consequential remediation works, electricity supply stabilised from December onwards. Lynas continues to work on off-grid solutions to ensure energy stability.

Lynas USA

Lynas has an expenditure-based contract with the U.S. Department of War (DoW) for the construction of a Heavy Rare Earths processing facility at Seadrift, Texas. As previously advised, significant uncertainty remains as to whether the construction of the Heavy Rare Earth processing facility at Seadrift, Texas will proceed and, if so, in what form.

Negotiations continued with the U.S. DoW to agree terms for a mutually acceptable offtake agreement for production from Lynas' operating assets.

Malawi deposit

Since fiscal year 2012, no further capital investment has been made on the Kangankunde Rare Earths resource development in Malawi and the project remains on hold while the Malawi deposit remains the subject of an ongoing title dispute. As announced on 22 January 2019, the Malawi government has purported to cancel the Group's Malawi mining lease, and the Group has initiated judicial review proceedings in the Malawi courts challenging that decision. There have not been any further updates during the period.

Health, safety and environment

Lynas is committed to ensuring the Group's operations in Australia and Malaysia are consistent with national and international safety and sustainability best practice. Lynas has established extensive processes to ensure that our operations are safe for employees, safe for the environment and community, and secure for our customers.

The Company-wide 12-month rolling Lost Time Injury Rate, as at the end of December 2025, was 1.7 per million hours (30 June 2025: 1.8 per million hours worked) worked while Total Recordable Injury Rate was 3.8 per million hours for the same period. (30 June 2025: 3.6 per million hours worked).

Lynas Malaysia demonstrated significant improvement during major maintenance during the half year, from 2 LTI events in CY2024 to zero in CY2025 despite the higher headcount involved. The improvements implemented particularly focussed on contractor management, by limiting the number of contractors per supervisor, enhanced communication pre and post turnaround and better promotion of the Unsafe Act Unsafe Condition ("UAUC") submission.

Lynas Malaysia and Mt Weld continue to be certified under ISO 9001:2015 (Quality Management), ISO 14001:2015 (Environmental Management) and ISO 45011:2018 (Occupational Health and Safety Management). Lynas sites have been certified since 2012. Lynas is fully compliant with local laws and regulations in each of our operating locations and we voluntarily implement best practice where it delivers a higher standard than local regulations.

Information concerning the Company's environmental monitoring programs is available at www.LynasRareEarths.com.

Financial and operational performance

Sales volume, revenue and costs

Sales by tonnage and value		1H 26	1H 25	2H 25	FY25
Sales volume	(REOt)	6,050	5,708	5,262	10,970
Cash receipts from customers	(A\$m)	356.3	273.4	277.3	550.7
Sales revenue	(A\$m)	413.7	254.3	302.2	556.5
Average selling price	(A\$/kg)	68.4	44.6	57.4	50.7
Cost of sales	(A\$m)	(271.7)	(205.3)	(221.4)	(426.7)

NdPr family sales volumes increased by 14%, while total REO Sales volumes were 6% higher than 1H25 due to the focus on NdPr products. The improved average selling price of \$68.4/kg for the half year was due to the increase in the average China domestic price of NdPr (VAT excluded) and increasing share of sales at prices independent of the market index.

Cost of sales increased by 32%, due to the 14% increase in NdPr sales volume and a full 6 months of operating costs from Lynas Kalgoorlie. A further 8% of the increase related to the recognition of depreciation for these new assets. This result also reflected the financial impact of significant power outages in Lynas Kalgoorlie and maintenance activities in Kuantan.

Market prices

The average China domestic price of NdPr (VAT excluded) increased from US\$56/kg in December 2024 to US\$74/kg in December 2025. The positive market sentiment seen in the December quarter continued in January 2026.

Market conditions are gradually improving. Market demand is increasing, including from Japanese magnet makers who are winning new business and from the growing outside China magnet supply chain. Market prices increased from October through to December and upward trend has continued in 2026 to date.

Production volumes

		1H 26	1H 25	2H 25	FY25
Ready for sale production volume total	(REOt)	6,375	5,339	5,123	10,462
Ready for sale production volume NdPr	(REOt)	3,407	2,969	3,589	6,558

Increased production volumes of REO and NdPr during the period reflect an optimised production strategy. Production volumes continue to ramp up as the Kalgoorlie Facility and expanded Mt Weld processing assets are being brought online and optimised.

Cash flows

In A\$m	1H 26	1H 25
Net operating cash inflows	74.3	49.5
Net investing cash outflows	(379.3)	(254.3)
Net financing cash inflows / (outflows)	890.6	(22.6)
Net cash flows	585.6	(227.4)

In A\$m	31 Dec 2025	30 June 2025
Cash and cash equivalents	745.7	166.5
Short term deposits greater than 3 months tenure	285.2	-
Total	1,030.9	166.5

Lynas recorded an improved operating cash inflow of \$74.3m. This is primarily the result of the increased EBITDA for the half year of \$152.4m offset by an increase in debtors from 30 June 2025.

Net investing cash flows are highlighted by \$285m in cash held as a short term deposit greater than 3 months and \$110.9m for capital projects, primarily the investment in Lynas 2025 projects which have been substantially completed. Financing cash flows include \$913.7m for the net proceeds for the issue of share capital, offset by financial expenses, payments on lease liabilities and a US\$10.0m (A\$14.9m) principal repayment on the JARE loan facility.

Debt and capital

In A\$m	1H 26	1H 25	2H 25	FY25
JARE loan	135.4	171.8	151.3	151.3
Financial income	15.1	11.2	6.2	17.4
Financial expenses	(8.6)	(6.4)	(7.4)	(13.8)

US\$10.0m (A\$14.9m) in principal repayments were made on the JARE facility.

Financial income increased from 1H 25 as a result of the higher cash balance held following the capital raise. Financial expenses are net of \$5.2m (HY25: \$6.2m) in interest that has been capitalised into the Mt Weld Expansion Phase 2 project. There have been no changes to the interest rate on the JARE loan facility during the period.

During the half year ended 31 December 2025, the Company had the following movement to its shares on issue.

	Number (000's)
Shares on issue 30 June 2025	935,447
Issue of shares pursuant to exercised performance rights	673
Issue of shares pursuant to equity raising	70,383
Shares on issue 31 December 2025	1,006,503

Performance rights

At 31 December 2025, the Company had the following options and performance rights on issue:

	Number (000's)
Performance rights	3,067

Earnings per share

For the half year ended 31 December	2025	2024
Basic earnings per share (cents per share)	8.19	0.63
Diluted earnings per share (cents per share)	8.16	0.62

Dividends

There were no dividends declared or paid during the half year ended 31 December 2025 (1H 25: nil) and no dividends have been declared or paid since 31 December 2025.

Risk management

The Group takes a proactive approach to risk management. The Directors are responsible for ensuring that risks and opportunities are identified on a timely basis and that the Group's objectives and activities are aligned with these risks and opportunities.

The Group believes it is crucial for Directors to be a part of this process and has established an Audit, Risk and ESG Committee and a Health, Safety and Environment Committee.

Lynas Rare Earths has a Risk Management Policy and a Risk Management Framework for oversight and management of material business risks.

Factors and business risks that affect future performance

Lynas operates in a changing environment and is therefore subject to factors and business risks that will affect future performance.

We identify risks, then evaluate the inherent risk of an activity and the mitigation required. Risk assessments are updated by operations and management and reported to the Board of Directors.

Basis of report

The report is based on the guidelines in The Group 100 Incorporated publication Guide to the Review of Operations and Financial Condition.

Environmental regulation and performance

The Group is bound by the requirements and guidelines of the relevant environmental protection authorities for the management and rehabilitation of mining tenements owned or previously owned by the Group. Mining tenements are being maintained and rehabilitated following these guidelines. The Group is also bound by the requirements of its operating licence in Malaysia. There have been no known breaches of any of these requirements and guidelines.

We continue to focus on ensuring positive relationships with regulators and local communities, and compliance with regulatory requirements in both jurisdictions in which we operate.

Significant changes in the state of affairs

Except as disclosed in the review of operations, the factors and business risks that affect future performance and the subsequent events, there have been no significant changes in the state of affairs of the Group during the half year ended 31 December 2025.

Auditor's independence declaration

We have obtained an independence declaration from our auditors, Ernst & Young, which follows the Directors' Declaration.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission, in relation to the "rounding off" of amounts. Amounts in the Directors' Report and Financial Statements have been rounded off, in accordance with the Instrument, to the nearest thousand dollars, unless otherwise stated.

Subsequent events

On 13 January 2026, Lynas announced that Chief Executive Officer and Managing Director Amanda Lacaze had advised the Board of her intention to retire after 12 years in the role. The Board has initiated a search process to select a new CEO to lead the company through its next stage of growth. This process will consider both internal and external candidates. Ms Lacaze intends to remain with the company until the end of the current financial year to enable a smooth transition.

Lynas' current Malaysian operating licence is valid for the period until 2 March 2026. In January 2026 following the successful completion of the Malaysian regulator's compliance audit on Lynas' Malaysian operation, Lynas submitted its application for renewal. The Atomic Energy Licensing Act was amended in December 2025 and the licence application was submitted in accordance with the amended Act. The licence renewal (including the terms of the renewal) have not yet been received.

There have been no other events subsequent to 31 December 2025 that would require adjustment or disclosure in this financial report.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s306(3) of the Corporations Act 2001.



John Humphrey
Chair

Sydney, 26 February 2026

Directors' declaration

In accordance with a resolution of the directors of Lynas Rare Earths Limited, I state that in the opinion of the directors:

- a) The interim financial statements and notes of the Company and its subsidiaries (collectively the Group) are in accordance with the *Corporations Act 2001*, including
 - i) Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half year ended on that date; and
 - ii) Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors,



John Humphrey
Chair

Sydney, 26 February 2026

Auditor's independence declaration



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Auditor's independence declaration to the directors of Lynas Rare Earths Limited

As lead auditor for the review of the half-year financial report of Lynas Rare Earths Limited for the half-year ended 31 December 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Lynas Rare Earths Limited and the entities it controlled during the financial period.

A stylized signature in black ink that reads 'Ernst + Young'.

Ernst & Young

A stylized signature in black ink that reads 'T S Hammond'.

T S Hammond
Partner
26 February 2026

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Independent auditor's report



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Independent auditor's review report to the members of Lynas Rare Earths Limited

Conclusion

We have reviewed the accompanying half-year financial report of Lynas Rare Earths Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to reviews of the half-year financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

T S Hammond
Partner
Perth

26 February 2026

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Consolidated statement of profit or loss and other comprehensive income

For the half year ended 31 December

In A\$'000	Note	2025	2024
Revenue	2	413,690	254,312
Cost of sales	2	(271,696)	(205,304)
Gross profit		141,994	49,008
General and administration expenses	2	(56,016)	(28,238)
Net foreign exchange loss		(5,521)	(16,563)
Other income / (expenses)		32	(2,033)
Profit from operating activities		80,489	2,174
Financial income	3	15,121	11,220
Financial expenses	3	(8,566)	(6,376)
Net financial income		6,555	4,844
Profit before income tax		87,044	7,018
Income tax expense	4	(6,833)	(1,167)
Profit for the period		80,211	5,851
Other comprehensive income for the period net of income tax that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		13,817	93,116
Total other comprehensive income for the period, net of income tax		13,817	93,116
Total comprehensive income for the period attributable to equity holders of the Company		94,028	98,967
Earnings per share			
Basic earnings per share (cents per share)	17	8.19	0.63
Diluted earnings per share (cents per share)	17	8.16	0.62

The interim unaudited consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the interim unaudited consolidated financial statements.

Consolidated statement of financial position

As at

In A\$'000

	Note	31 Dec 2025	30 June 2025
Assets			
Cash and cash equivalents	5	745,658	166,490
Short-term investment	6	285,181	-
Trade and other receivables	7	115,497	49,002
Current tax receivable		49,469	24,137
Prepayments		5,636	14,161
Inventories	8	198,418	176,121
Total current assets		1,399,859	429,911
Inventories	8	13,217	12,021
Property, plant and equipment	10	2,285,000	2,235,291
Right of use assets	11	73,097	46,401
Deferred development expenditure	10	126,134	115,287
Intangible assets		1,465	1,808
Deferred tax asset		-	6,457
Other non-current assets	9	96,080	97,042
Total non-current assets		2,594,993	2,514,307
Total assets		3,994,852	2,944,218
Liabilities			
Trade and other payables	12	87,445	83,521
Borrowings	13	28,457	29,166
Employee benefits	15	8,067	7,176
Provisions	15	23,436	27,355
Lease liabilities	11	3,859	4,623
Total current liabilities		151,264	151,841
Borrowings	13	106,943	122,092
Employee benefits	14	1,178	850
Provisions	14	281,282	270,565
Lease liabilities	11	73,511	46,165
Deferred tax liabilities		16,348	-
Total non-current liabilities		479,262	439,672
Total liabilities		630,526	591,513
Net assets		3,364,326	2,352,705
Equity			
Share capital	17	3,005,375	2,091,089
Retained earnings		308,611	228,400
Reserves		50,340	33,216
Total equity attributable to the equity holders of the Company		3,364,326	2,352,705

The interim unaudited consolidated statement of financial position should be read in conjunction with the notes to the interim unaudited consolidated financial statements.

Consolidated statement of changes in equity

For the half year ended 31 December 2025

In A\$'000	Ref	Share capital	Retained earnings	Foreign currency translation reserve	Equity settled employee benefits reserve	Warrant reserve	Total
Balance at 1 July 2025		2,091,089	228,400	(68,693)	80,144	21,765	2,352,705
Other comprehensive income for the period		-	-	13,817	-	-	13,817
Total profit for the period		-	80,211	-	-	-	80,211
Total comprehensive income for the period		-	80,211	13,817	-	-	94,028
Issue of shares and options, net of issue costs		914,286	-	-	-	-	914,286
Employee remuneration settled through share-based payments		-	-	-	3,307	-	3,307
Balance at 31 Dec 2025		3,005,375	308,611	(54,876)	83,451	21,765	3,364,326

For the half year ended 31 December 2024

Balance at 1 July 2024		2,091,089	220,410	(163,426)	72,967	21,765	2,242,805
Other comprehensive income for the period		-	-	93,116	-	-	93,116
Total profit for the period		-	5,851	-	-	-	5,851
Total comprehensive income for the period		-	5,851	93,116	-	-	98,967
Employee remuneration settled through share-based payments		-	-	-	3,872	-	3,872
Balance at 31 Dec 2024		2,091,089	226,261	(70,310)	76,839	21,765	2,345,644

The interim unaudited consolidated statement of changes in equity should be read in conjunction with the notes to the interim unaudited consolidated financial statements.

Consolidated statement of cash flows

For the half year ended 31 December

In A\$'000	Note	2025	2024
Cash flows from operating activities			
Receipts from customers		356,319	273,400
Payments to suppliers and employees		(254,015)	(184,956)
Payments for discharge of rehabilitation obligation		(15,525)	(22,532)
Royalties paid		(4,132)	(2,653)
Income taxes paid		(8,325)	(13,739)
Net cash from operating activities		74,322	49,520
Cash flows from investing activities			
Payments for property, plant and equipment and development expenditure		(110,933)	(267,015)
Security bonds paid		(2)	(156)
Security bonds refunded		23	26
Interest received		16,780	12,878
Investment in term deposits		(285,181)	-
Net cash used in investing activities		(379,313)	(254,267)
Cash flows from financing activities			
Interest and other financing costs paid		(2,681)	(3,330)
Proceeds from the issue of share capital		932,573	-
Payment of share issue costs		(18,885)	-
Repayment of lease liabilities		(5,447)	(3,164)
Repayment of long-term borrowing		(14,933)	(16,080)
Net cash provided from / (used in) financing activities		890,627	(22,574)
Net increase / (decrease) in cash and cash equivalents		585,636	(227,321)
Cash and cash equivalents at the beginning of the half year		166,490	523,838
Effect of exchange rate fluctuations (net) on cash held		(6,468)	11,798
Closing cash and cash equivalents	5	745,658	308,315

The interim unaudited consolidated statement of cash flows should be read in conjunction with the notes to the interim unaudited consolidated financial statements.

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Notes to consolidated financial statements

For the half year ended 31 December 2025

About this report

Lynas Rare Earths Limited (the “Company”) is a for-profit company domiciled and incorporated in Australia.

The interim unaudited consolidated financial statements of the Company as at and for the half year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “Group” or “Lynas”).

The Group is principally engaged in the extraction and processing of rare earth minerals, primarily in Australia and Malaysia.

The address of the registered office of the Company is Level 4, 1 Howard St Perth, WA, Australia.

1. Basis of preparation

Statement of compliance

The interim unaudited consolidated financial statements have been prepared in accordance with AASB 134 Interim Financial Reporting. The disclosures required in these interim unaudited consolidated financial statements are less extensive than the disclosure requirements for annual financial statements. The interim unaudited consolidated financial statements should be read in conjunction with the annual financial report of the Group for the year ended 30 June 2025.

The interim unaudited consolidated financial statements comprise the consolidated statements of profit or loss and other comprehensive income, financial position, changes in equity and cash flows as well as the relevant notes to the interim unaudited consolidated financial statements.

Basis of measurement

The financial report has been prepared under the historical cost convention.

Information as disclosed in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the current period is for the 6-month period ended 31 December 2025. Information for the comparative period is for the 6-month period ended 31 December 2024.

The financial report has been prepared using the going concern assumption.

Consolidation of subsidiaries

Subsidiaries are entities controlled by the Company or the Group. Control is achieved when the Company or Group has power over the investee, is exposed, or has the rights to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. In assessing control, potential voting rights that are presently exercisable are taken into account. The financial statements of subsidiaries are included in the financial report from the date control (or effective control) commences until the date that control ceases. All entities within the Group are 100% owned and controlled.

Intra-group balances and unrealised items of income and expense arising from intra-group transactions are eliminated in preparing the financial report. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same manner as gains, but only to the extent that there is no evidence of impairment.

Presentation currency

These interim unaudited consolidated financial statements are presented in Australian dollars (“AUD”), which is the Group’s presentation currency.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission, in relation to the “rounding off” of amounts. Amounts in the Directors’ Report and Financial Report have been rounded off, in accordance with the Instrument, to the nearest thousand dollars, unless otherwise stated.

2. Segment revenue and expenses

AASB 8 Operating Segments (“AASB 8”) requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Makers (CODM) in order to allocate resources to the segment and to assess its performance.

At period end, the Group’s CODM are the Board of Directors of the Company, the Chief Executive Officer, the Chief Financial Officer, the VP Upstream, the VP Downstream, the General Counsel & Company Secretary, the VP Malaysia, the VP People & Culture and the VP Strategy and Investor Relations. Information reported to the Group’s CODM for the purposes of resource allocation and assessment of performance currently focuses on the operation of the Group’s integrated rare earth extraction and process facilities.

The Group has only one reportable segment under AASB 8 being its rare earth operations. The CODM does not review the business activities of the Group based on geography.

All of the Group’s revenue is derived through the sale of Rare Earth products and is sold to non-Australian customers.

The accounting policies applied by this segment are the same as the Group’s accounting policies. Results from operating activities represent the profit earned by this segment without allocation of interest income and expense and income tax benefit (expense). The CODM assess the performance of the operating segment based on adjusted EBITDA. Adjusted EBITDA is defined as net profit before income tax expense, net of financial expenses, depreciation and amortisation and adjusted to exclude certain significant items, including but not limited to such items as employee remuneration settled through share-based payments, restructuring costs, unrealised gains or losses on derivatives, gains or losses on the sale of non-strategic assets, asset impairments and write downs.

In A\$'000	For the half year ended 31 December 2025			For the half year ended 31 December 2024		
	Rare Earth Operations	Corporate/ Unallocated	Total Continuing Operations	Rare Earth Operations	Corporate/ Unallocated	Total Continuing Operations
Business segment reporting						
Revenue from contracts with customers	393,706	-	393,706	255,243	-	255,243
Revenue adjustments	19,984	-	19,984	(931)	-	(931)
Total revenue	413,690	-	413,690	254,312	-	254,312
Cost of sales (excl depreciation)	(219,891)	-	(219,891)	(170,887)	-	(170,887)
Cost of sales (depreciation)	(51,805)	-	(51,805)	(34,417)	-	(34,417)
Gross profit	141,994	-	141,994	49,008	-	49,008
Employee and production costs net of costs recovered through production	(9,525)	(8,039)	(17,564)	(7,736)	(5,237)	(12,973)
Depreciation expenses net of cost recovered through production	(18,636)	(1,454)	(20,090)	(959)	(560)	(1,519)
Other general and administration expenses ⁽¹⁾	(10,848)	(7,514)	(18,362)	(6,590)	(7,156)	(13,746)
Total general and admin expenses	(39,009)	(17,007)	(56,016)	(15,285)	(12,953)	(28,238)
Other income /(expenses)	-	32	32	-	(2,033)	(2,033)
Net foreign exchange (loss) / gain	-	(5,521)	(5,521)	-	(16,563)	(16,563)
Profit / (loss) before interest and tax ("EBIT")	102,985	(22,496)	80,489	33,723	(31,549)	2,174
Financial income			15,121			11,220
Financial expenses			(8,566)			(6,376)
Profit before income tax			87,044			7,018
Income tax expense			(6,833)			(1,167)
Profit after income tax			80,211			5,851
EBIT	102,985	(22,496)	80,489	33,723	(31,549)	2,175
Depreciation and amortisation	70,441	1,454	71,895	35,376	560	35,936
EBITDA	173,426	(21,042)	152,384	69,099	(30,989)	38,111
Included in EBITDA:						
Non-cash employee remuneration settled through share-based payments	-	3,307	3,307	-	3,872	3,872
Other expense / (income)	-	(32)	(32)	-	2,033	2,033
Adjusted EBITDA	173,426	(17,767)	155,659	69,099	(25,084)	44,015

(1) Other general and administration expenses include statutory, consulting, insurance, IT, marketing and general office costs.

3. Financial income and expenses

In A\$'000	For the half year ended 31 December	
	2025	2024
Interest income	15,121	11,220
Total financial income	15,121	11,220
<i>Interest expense on financial liabilities:</i>		
Interest expense on JARE loan facility	(2,308)	(2,934)
Unwinding of effective interest on JARE loan facility	(2,849)	(3,253)
Interest capitalised to qualifying assets	5,157	6,187
Unwinding of discount on restoration and rehabilitation provision	(5,238)	(5,494)
Interest expense on lease liabilities	(2,874)	(653)
Discount unwinding on AELB deposit	192	182
Financing transaction costs and fees	(646)	(411)
Total financial expenses	(8,566)	(6,376)
Net financial income	6,555	4,844

4. Income taxes

In A\$'000	For the half year ended 31 December	
	2025	2024
Current tax		
Current tax expense / (benefit) in respect of the current half year	342	(5,104)
Adjustments recognised in the current year in relation to the current tax in prior years	(16,314)	-
Deferred tax		
Deferred tax expense recognised in the half year	22,805	6,271
Total income tax expense relating to the continuing operations	6,833	1,167

The driver of the difference between income tax expense calculated at 30% (2025: 30%) and actual tax expense is due to the pioneer period status (tax holiday) in relation to the Malaysian operations through to January 2026. Following the conclusion of the current terms of the pioneer period status, Lynas Malaysia will become a taxpayer for all activities in Malaysia. In addition, the Group retains unrecognised tax losses that are not recognised as deferred tax assets in Malaysia and Malawi. These unrecognised tax losses will be recognised when it becomes probable that the Group will have future taxable profits in these jurisdictions against which these tax losses can be utilised.

5. Cash and cash equivalents

In A\$'000	31 December 2025	30 June 2025
Cash at bank and on hand	443,726	101,744
Cash deposits	301,932	64,746
Total cash at bank and on hand	745,658	166,490

Cash deposits included as cash and cash equivalents have a maturity of under 90 days.

6. Short-term deposits

In A\$'000	31 December 2025	30 June 2025
Short-term deposits	285,181	-
Total short-term deposits	285,181	-

Short-term deposits are held with major Australian financial institutions and have original maturities of greater than 3 months but less than 6 months.

7. Trade and other receivables

In A\$'000	31 December 2025	30 June 2025
Trade receivables at amortised cost	86,722	30,482
Trade receivables at fair value	12,327	14,249
GST receivables	6,550	3,448
Other receivables	9,898	823
Total current trade and other receivables	115,497	49,002

The Group's exposure to credit risk is primarily in its trade receivables. As at 31 December 2025, A\$11.1m (30 June 2025: A\$1.4m), of trade receivables were past due but not impaired, all of which has been receipted in 2026. Where debtors become overdue, the Group maintains regular contact and has a history of collecting trade receivables in full.

At 31 December 2025, the Group had sales under contract amounting to A\$104.3m (US\$69.8m) (30 June 2025: A\$103.4m (US\$67.5m)) subject to price adjustments. At the date of this report A\$44.4m (US\$31.1m) of this amount has been finalised with minimal price adjustments in comparison to the date when the sale was initially recognised.

Other receivables primarily relate to a receivable from the United States Department of War (DoW) in relation to a claim raised under the existing contract.

8. Inventories

In A\$'000	31 December 2025	30 June 2025
Raw materials and consumables	51,684	39,655
Work in progress	133,656	115,368
Finished goods	26,295	33,119
Total inventories	211,635	188,142
Current inventories	198,418	176,121
Non-current inventories	13,217	12,021
Total inventories	211,635	188,142

During the half year ended 31 December 2025 inventories of \$271.7m (31 December 2024: \$205.3m) were recognised as an expense, all of which were included in 'cost of sales'.

The Group decided to proactively increase raw materials and consumables inventory to enhance supply continuity and safeguard against potential disruptions arising from recent geopolitical development, evolving global logistics conditions and global trade uncertainties.

Depreciation recognised in inventories

The Group recognised depreciation on its property, plant and equipment and amortisation on its deferred development expenditure and intangible assets for the half years ended 31 December 2025 and 2024 respectively in the following categories:

In A\$'000	Recognised in General and Administration Expense		Recognised in Inventory		Total	
	2025	2024	2025	2024	2025	2024
Property, plant and equipment	19,676	1,156	46,448	29,630	66,124	30,786
Deferred development expenditure	-	145	2,563	2,452	2,563	2,597
Intangibles	414	219	-	-	414	219
Total	20,090	1,520	49,011	32,082	69,101	33,602

On the sale of inventory to customers, the component of the depreciation or amortisation expense capitalised within inventory is reflected in the cost of goods sold in the statement of comprehensive income as a component of the profit or loss. This was \$51.8m in the period ending 31 December 2025 (2024: \$34.4m).

Write downs of inventory

During the half year ended 31 December 2025, there were \$0.8m in write downs to net realisable value for some products. (31 December 2024: \$5.0m).

9. Other non-current assets

In A\$'000	31 December 2025	30 June 2025
Security deposits – banking facilities and other, Malaysia	2,574	2,541
Security deposits – banking facilities and other, Australia	16,081	16,157
Security deposits – AELB	77,425	78,344
	96,080	97,042

Deposits to the Malaysian Government's Atomic Energy Licensing Board ("AELB") form a component of a total US\$50.0m of instalments due in accordance with the conditions underlying the granting of the Full Operating Stage Licence to the Group for the Lynas Malaysia plant. The total amount deposited as security via a bond for the instalments is US\$39.0m (A\$58.2m) (all of which is interest earning). A further US\$11.0m paid directly to AELB is not interest earning and has been discounted to a present value of A\$7.3m (FY25: A\$6.8m).

Under revisions to the operating licence, a further A\$12.0m in deposits have been made to the AELB to satisfy licence conditions. No additional deposits have been made in the half year ended 31 December 2025.

10. Property, plant and equipment and mine development

In A\$'000	Property, Plant and Equipment					Development Expenditure				
	Leasehold land	Buildings plant and equipment	Fixtures and fittings	Assets under construction	Rehabilitation asset	Leasehold improvements	Total	Development expenditure	Pre-production /Stripping asset	Total
As at 31 December 2025										
Cost	32,257	2,089,712	17,364	532,912	418,767	130,949	3,221,961	55,350	101,969	157,319
Accumulated impairment losses	-	(210,016)	(433)	(265)	-	(8,262)	(218,976)	(4,416)	-	(4,416)
Accumulated depreciation	(5,720)	(617,159)	(10,498)	-	(70,269)	(14,339)	(717,985)	(8,286)	(18,483)	(26,769)
Carrying amount	26,537	1,262,537	6,433	532,647	348,498	108,348	2,285,000	42,648	83,486	126,134
Opening cost	31,659	2,110,797	17,092	475,728	399,004	23,847	3,058,127	54,658	89,327	143,985
Opening accumulated impairment and depreciation	(5,454)	(726,868)	(9,803)	(272)	(61,376)	(19,063)	(822,836)	(12,624)	(16,074)	(28,698)
Opening carrying amount	26,205	1,383,929	7,289	475,456	337,628	4,784	2,235,291	42,034	73,253	115,287
Additions	-	-	50	79,440	-	-	79,490	794	12,616	13,410
Disposals	-	(160)	-	-	-	-	(160)	-	-	-
Depreciation expense	(161)	(50,532)	(1,039)	-	(7,797)	(3,224)	(62,753)	-	-	-
Amortisation expense	-	-	-	-	-	-	-	(180)	(2,383)	(2,563)
Impairment loss	-	-	-	-	-	-	-	-	-	-
Change in rehabilitation obligations	-	-	-	-	14,441	-	14,441	-	-	-
Capitalised interest	-	-	-	5,157	-	-	5,157	-	-	-
Transfers within PPE	-	(79,067)	114	(27,716)	-	106,669	-	-	-	-
Transfers out of PPE	-	-	-	(70)	-	-	(70)	-	-	-
Reimbursement of grant	-	-	-	(7,080)	-	-	(7,080)	-	-	-
Foreign currency translation	493	8,367	19	7,460	4,226	119	20,684	-	-	-
Carrying amount at 31 December 2025	26,537	1,262,537	6,433	532,647	348,498	108,348	2,285,000	42,648	83,486	126,134

Property, Plant and Equipment

Development Expenditure

In A\$'000

	Leasehold land	Buildings plant and equipment	Fixtures and fittings	Assets under construction	Rehabilitation asset	Leasehold improvements	Total	Development expenditure	Pre-production /Stripping asset	Total
As at 31 December 2024										
Cost	31,506	1,157,291	10,665	1,320,283	393,748	23,737	2,937,230	53,639	69,487	123,126
Accumulated impairment losses	-	(205,244)	(427)	(285)	-	(8,070)	(214,026)	(4,688)	-	(4,688)
Accumulated depreciation	(5,269)	(476,326)	(8,451)	-	(53,700)	(8,246)	(551,992)	(7,977)	(16,795)	(24,772)
Carrying amount	26,237	475,721	1,787	1,319,998	340,048	7,421	2,171,212	40,974	52,692	93,666
Opening cost	27,774	924,577	9,760	1,288,162	348,371	21,062	2,619,706	50,560	49,987	100,547
Opening accumulated impairment and depreciation	(4,504)	(640,704)	(7,941)	(266)	(41,822)	(14,052)	(709,289)	(12,221)	(14,342)	(26,563)
Opening carrying amount	23,270	283,873	1,819	1,287,896	306,549	7,010	1,910,417	38,339	35,645	73,984
Additions	-	1,284	56	168,075	-	-	169,415	3,798	19,499	23,297
Disposals	-	(1,207)	-	-	-	-	(1,207)	-	-	-
Depreciation expense	(153)	(18,183)	(416)	-	(6,926)	(396)	(26,074)	-	-	-
Amortisation expense	-	-	-	-	-	-	-	(145)	(2,452)	(2,597)
Change in rehabilitation obligations	-	-	-	-	9,314	-	9,314	-	-	-
Transfers	-	180,140	305	(180,445)	-	-	-	-	-	-
Impairment loss	-	-	-	-	-	-	-	(1,018)	-	(1,018)
Capitalised interest	-	-	-	6,187	-	-	6,187	-	-	-
Foreign currency translation	3,120	29,814	23	38,285	31,111	807	103,160	-	-	-
Carrying amount at 31 Dec 2024	26,237	475,721	1,787	1,319,998	340,048	7,421	2,171,212	40,974	52,692	93,666

11. Leases

The Group entered into an agreement with Zenith Energy Pty Ltd for the supply of power from a gas fired hybrid renewable power station to Lynas' Mt Weld mine and concentration plant, near Laverton. Various aspects of the contract have been accounted for in accordance with AASB 16 *Leases*. Under the contract, different right of use assets will be identified as they are constructed and become commercially operational.

As of the reporting date, Diesel, Gas and Solar / BESS assets meets the criteria for recognition under AASB 16, as they are commercially operational, and the Group has obtained control over the right-of-use asset. The final Wind assets will be recognised in the second half of the year following the completion of commissioning in January 2026. Remaining commitments under the contract have been disclosed as a capital commitment (refer to Note 19).

Set out below are the carrying amounts of leases recognised and the movements during the period:

In A\$'000	Right of Use Assets	
	6 months ended 31 December 2025	12 months ended 30 June 2025
Opening balance	46,401	9,762
Additions	30,035	42,965
Depreciation expense	(3,371)	(7,444)
Other lease modifications	-	(147)
Foreign currency translation	32	1,265
Closing Balance	73,097	46,401

Set out below are the carrying amounts of lease liabilities recognised and the movements during the period:

In A\$'000	Lease liabilities	
	6 months ended 31 December 2025	12 months ended 30 June 2025
Opening balance	50,788	12,140
Additions	30,035	42,965
Payments	(5,447)	(7,569)
Accretion of interest	2,874	2,260
Foreign currency translation	(880)	992
Closing as at 31 December 2025	77,370	50,788
Current	(3,859)	(4,623)
Non-current	(73,511)	(46,165)
Total Lease liabilities	(77,370)	(50,788)

Set out below are the amounts recognised in the profit and loss during the period:

In A\$'000	6 months ended 31 December 2025	12 months ended 30 June 2025
Depreciation expense	(3,371)	(7,444)
Accretion of interest	2,874	2,260

The Group had total cash outflows for leases of \$5.4m in the half year ended 31 December 2025 (\$3.2m in December 2024). The Group also had non-cash additions to right-of-use assets and lease liabilities of \$30.0m in in the half year ended 31 December 2025 (\$14.9m in the half year ended December 2024). The future cash outflows relating to leases that have not yet commenced are disclosed below.

Future lease commitments

In A\$'000	31 December 2025	30 June 2025
Less than one year	21,002	8,656
1 – 5 years	82,001	20,728
5+ years	245,659	52,341
Total	348,662	81,725

The future lease commitments primarily relate to the lease with Zenith Energy Pty Ltd.

12. Trade and other payables

In A\$'000	31 December 2025	30 June 2025
Trade payables	54,247	39,016
Accrued expenses	25,360	33,106
Other payables	7,838	11,399
Total trade and other payables	87,445	83,521
Current	87,445	83,521
Non-current	-	-
Total trade and other payables	87,445	83,521

13. Interest Bearing Liabilities

In A\$'000	31 December 2025	30 June 2025
Current borrowings		
JARE loan facility ⁽¹⁾	28,457	29,166
Total current borrowings	28,457	29,166
Non-current borrowings		
JARE loan facility	106,943	122,092
Total non-current borrowings	106,943	122,092

⁽¹⁾ In line with the repayment schedule below, payments of US\$10m are due on 30 June 2026 and 31 December 2026 respectively. These have been classified as current liabilities at 31 December 2025.

Reconciliation of liabilities arising from financing activities

In A\$'000	30-Jun-25	Cash flows	Non-Cash Movements			31-Dec-25
	Opening Balance	Proceeds / (Repayments)	Effective Interest	Foreign Exchange	Other ⁽¹⁾	Closing Balance
JARE loan facility	151,258	(14,933)	2,849	(3,705)	-	135,469
Lease liability	50,788	(5,447)	2,874	(880)	30,035	77,370
Total	202,046	(20,380)	5,723	(4,585)	30,035	212,839

⁽¹⁾ Other non-cash movements in the lease liability during the half year ended 31 Dec 2025 and 2024 related to leases recognised in line with AASB 16.

In A\$'000	30-Jun-24	Cash flows	Non-Cash Movements			31-Dec-24
	Opening Balance	Proceeds / (Repayments)	Effective Interest	Foreign Exchange	Other ⁽¹⁾	Closing Balance
JARE loan facility	171,838	(16,080)	3,253	12,768	-	171,779
Lease liability	12,140	(3,164)	653	(233)	14,973	24,369
Total	183,978	(19,244)	3,906	12,535	14,973	196,148

⁽¹⁾ Other non-cash movements in the lease liability during the half year ended 31 Dec 2025 and 2024 related to leases recognised in line with AASB 16.

14. Financing facilities

Japan Australia Rare Earths B.V. (JARE) loan facility

The maturity date of the JARE loan facility is 30 June 2030. The interest rate on this facility is 2.5% p.a. at 31 December 2025 (30 June 2025: 2.5% p.a.).

Interest liabilities will be paid directly to the lenders at 31 December and 30 June each year.

There are a series of future fixed repayments for the facility as follows:

Repayment date	Amount
Every six months from 30 June 2026 to 31 Dec 2027	US\$10m on each date
Every six months from 30 June 2028 to 30 June 2030	US\$12m on each date

Japan will have the following priority supply rights until 2038:

1. Any fundraising will not hinder Lynas' ability to support Japanese industries diversifying their rare earths supply sources, in accordance with the Availability Agreement announced on 30 March 2011.
2. Lynas shall ensure that in the event of competing demands from the Japanese market and a non-Japanese market for the supply by the Borrower or Lynas Malaysia for NdPr produced from the Lynas Malaysia plant, the Japanese market shall have priority of supply up to 7,200 tonnes per year subject to the terms of the Availability Agreement and to the extent that Lynas will not have any opportunity loss.
3. JARE has rights of negotiation with Lynas in priority to non-Japanese market customers for the priority supply to the Japanese market of additional NdPr and Nd products produced by the Lynas 2025 Project.
4. Lynas will continue to prioritize the needs of Japanese customers for the supply of Heavy Rare Earths products produced, to the extent possible under any agreement with the U.S.

The JARE loan facility has been secured over all of the assets of the Group, other than the Malawi assets.

15. Provisions and Employee benefits

In A\$'000	31 December 2025	30 June 2025
Current		
Short term employee benefits	8,067	7,176
Restoration and rehabilitation ⁽¹⁾	23,436	27,355
Total current	31,503	34,531
Non-Current		
Long term employee benefits	1,178	850
Restoration and rehabilitation	281,282	270,565
Total non-current	282,460	271,415

(1) The current portion of the restoration and rehabilitation provision represents Lynas' best estimate of the present value of the outflows relating to the discharge of the rehabilitation obligation relating to residue disposal in Malaysia over the next 12-month period.

The Group's accounting policy for its restoration and rehabilitation closure provisions requires significant estimates and assumptions such as requirements of the relevant legal and regulatory framework; the magnitude of possible contamination; and the timing, extent and costs of required closure and rehabilitation activity. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision recognised is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for operating sites are recognised in the statement of financial position by adjusting both the closure and rehabilitation asset and the provision.

16. Contingent liabilities

An amount of US\$50.0m (FY25: US\$50.0m) has been deposited via a bond for instalments required in accordance with the conditions underlying the granting of the Full Operating Stage Licence to the Group for the LAMP in Malaysia. Should criteria as part of this grant not continue to be met, this amount may be utilised to settle obligations. The Group has determined that the possibility of a material outflow related to these contingent liabilities is remote. Refer to Note 8 for details of bonds.

17. Contributed equity

	For the half year ended 31 December 2025		For the year ended 30 June 2025	
	Number of shares '000	A\$'000	Number of shares '000	A\$'000
Balance at the beginning of the period	935,447	2,091,089	934,718	2,091,089
Issue of shares pursuant to capital raisings (net)	70,383	914,286	-	-
Issue of shares pursuant to exercised performance rights	673	-	729	-
Closing balance	1,006,503	3,005,375	935,447	2,091,089

All issued ordinary shares are fully paid and have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share. All shares rank equally with regard to the Group's residual assets in the event of a wind-up.

18. Earnings per share

Basic earnings per share amounts are calculated by dividing net loss or profit for the half year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the half year.

Diluted earnings per share adjusts the amount used in the determination of the basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares. Potential ordinary shares are treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share from continuing operations.

The earnings and weighted average number of ordinary shares used in the calculations of basic and diluted earnings per share are as follows:

In A\$'000	For the half year ended 31 December	
	2025	2024
Net earnings attributed to ordinary shareholders	80,211	5,851
Earnings used in calculating basic earnings per share	80,211	5,851
Net earnings impact of assumed conversions of diluted EPS	-	-
Earnings used in calculating diluted earnings per share	80,211	5,851
Weighted average number of ordinary shares used in calculating basic earnings per share ('000)	979,968	934,718
Weighted average number of ordinary shares used in calculating diluted earnings per share ('000)	983,036	940,023

In A\$'000	For the half year ended 31 December	
	2025	2024
Basic loss per share (cents per share)	8.19	0.63
Diluted loss per share (cents per share)	8.16	0.62

The following dilutive shares are included in the share base for the calculation of dilutive earnings per share:

Number (000's)	As at 31 December	
	2025	2024
Performance rights	3,067	5,305
Total	3,067	5,305

Employee share options and performance rights

The Group has established an employee share plan whereby, at the discretion of Directors, performance rights may be granted over the ordinary shares of the Company for the benefit of executives and certain employees of the Group. The performance rights are granted in accordance with performance guidelines established by the Nomination, Remuneration and Community Committee. Other than short term incentives, each performance right is convertible into one ordinary share of the Company during the two years following the vesting date, which is the third anniversary of the grant date. The performance rights hold no voting or dividend rights and are not transferrable.

Performance rights are granted for the benefit of Key Management Personnel ("KMP") and other selected employees to provide greater alignment to our strategic business objectives. KMP are those people who have authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Executive Director of the Group and the Executives. At period end, the Executives include the Chief Executive Officer, the Chief Financial Officer, the Group's General Counsel & Company Secretary, Vice President - Upstream, Vice President - Downstream, Vice President - Malaysia.

Movements in employee performance rights

	For the half year ended 31 December 2025		For the half year ended 31 December 2024	
	No. of performance rights ('000)	Weighted average exercise price (\$)	No. of performance rights ('000)	Weighted average exercise price (\$)
Balance at beginning of period	4,568,507	0.00	3,619,174	0.00
Granted during the period	-	0.00	2,026,965	0.00
Expired during the period	-	0.00	-	0.00
Exercised during the period	(672,840)	0.00	-	0.00
Forfeited during the period	(828,227)	0.00	(341,178)	0.00
Balance at end of period	3,067,440	0.00	5,304,961	0.00
Exercisable at end of period	-	0.00	731,032	0.00

During the half year ended 31 December 2025 the Group recognised a net share-based payment expense of \$3.3m (2025: \$3.9m) within the general and administrative expenses in the statement of profit or loss and other comprehensive income.

The employee performance rights outstanding at the end of the year had nil weighted average exercise price and a weighted average remaining contractual life of 488 days (FY25: 594 days). Performance rights exercised during the period had a weighted average share price of \$14.41 (FY25: No performance rights exercised).

19. Commitments

Capital commitments

In A\$'000	31 December 2025	30 June 2025
Less than one year	20,116	8,656
Total	20,116	8,656

The capital commitments primarily relate to the Mt Weld expansion project.

20. Other items

New and revised standards and interpretations

Standards and Interpretations affecting amounts reported

The accounting policies applied by the Group in these interim unaudited consolidated financial statements are the same as those applied by the Group in the annual financial statements for the year ended 30 June 2025.

No new standards and amendments which became mandatory for the first time in the interim reporting period commencing 1 July 2025 resulted in any adjustments to the amounts recognised in the financial statements or disclosures.

The Australian Accounting Standards issued but not yet mandatory for the 31 December 2025 interim reporting period have not been adopted by the Group in the preparation of this interim financial report.

21. Subsequent events

On 13 January 2026, Lynas announced that Chief Executive Officer and Managing Director Amanda Lacaze had advised the Board of her intention to retire after 12 years in the role. The Board has initiated a search process to select a new CEO to lead the company through its next stage of growth. This process will consider both internal and external candidates. Ms Lacaze intends to remain with the company until the end of the current financial year to enable a smooth transition.

Lynas' current Malaysian operating licence is valid for the period until 2 March 2026. In January 2026 following the successful completion of the Malaysian regulator's compliance audit on Lynas' Malaysian operation, Lynas submitted its application for renewal. The Atomic Energy Licensing Act was amended in December 2025 and the licence application was submitted in accordance with the amended Act. The licence renewal (including the terms of the renewal) have not yet been received.

There have been no other events subsequent to 31 December 2025 that would require adjustment or disclosure in this financial report.

ABN 27 009 066 648

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