

AMG Critical Materials N.V.  
Condensed Interim Consolidated Financial Statements  
(unaudited)  
June 30, 2024

## **Semi-Annual Financial Report**

This report contains the semi-annual financial report of AMG Critical Materials N.V. (“AMG” or “the Company”), a Company which was incorporated in the Netherlands as a public limited liability company on November 21, 2006. The address of the Company’s registered office is WTC Amsterdam, Tower 7, Strawinskylaan 1343, 1077 XX Amsterdam.

The semi-annual report for the six months ended June 30, 2024 consists of the responsibility statement by the Company’s Management Board, the semi-annual management report and the condensed consolidated semi-annual financial statements. The information in this semi-annual financial report is unaudited.

The Management Board of the Company hereby declares that to the best of their knowledge, the semi-annual financial statements, which have been prepared in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the entities included in the consolidation taken as a whole. The half-year management board report gives a true and fair view of the important events of the past six-month period and their impact on the half-year financial statements, as well as the principal risks and uncertainties for the six-month period to come, and the most important related party transactions.

/s/ Heinz C. Schimmelbusch  
Chief Executive Officer

/s/ Jackson Dunkel  
Chief Financial Officer

/s/ Eric E. Jackson  
Chief Operating Officer

/s/ Michael Connor  
Chief Corporate Development Officer

## Management Report

AMG is a global critical materials company at the forefront of CO<sub>2</sub> reduction trends. AMG produces highly engineered specialty metals and mineral products and provides related vacuum furnace systems and services to the transportation, infrastructure, energy, and specialty metals & chemicals end markets. The Company's value shift towards clean energy materials (lithium and vanadium) and the need to have adequate access to capital markets to finance the investments needed for implementing the strategy and transparency for investors resulted in a new corporate and governance structure that went into effect on January 1, 2024, changing the segmental reporting structure (previously AMG Clean Energy Materials (CEM), AMG Critical Minerals (CMI) and AMG Critical Materials Technologies (CMT)) into three reportable segments: AMG Lithium, AMG Vanadium and AMG Technologies which prepares AMG to execute on its strategic objectives that are firmly rooted in strong financial fundamentals. The three new 100% owned subsidiaries have very specific trends and business models: AMG Lithium is supplying the market for vehicle and stationary batteries, through cathode producers ("e-mobility" and "e-storage"). AMG Vanadium is supplying vanadium to the high-performance steel market and the market for stationary vanadium redox flow batteries ("e-saving" and "e-storage"). AMG Technologies' primary market is aerospace engines where high stress materials are at work ("e-saving").

AMG Lithium spans the lithium value chain, reducing the CO<sub>2</sub> footprint of both suppliers and customers. It operates a value chain starting with mining and including solid state lithium batteries in Germany. AMG Vanadium is the world's market leader in recycling vanadium from oil refining residues. It is the only US ferrovanadium producer and is expanding in the Middle East with the Supercenter project in the Kingdom of Saudi Arabia, through Shell & AMG Recycling BV. AMG Technologies is the established world market leader in advanced metallurgy and provides equipment engineering to the aerospace engine sector globally.

With approximately 3,600 employees at June 30, 2024, AMG operates globally with production facilities in Germany, the United Kingdom, France, the United States, China, Mexico, Brazil, India, and Sri Lanka, and has sales and customer service offices in Japan.

Despite significant declines in lithium and vanadium prices in the first half of 2024 compared to the same period in 2023, AMG achieved an adjusted EBITDA of \$70 million by leveraging our diversified portfolio. AMG continued to experience robust structural demand for its critical materials which is a testament to the strategic positioning of our businesses and the low-cost position of all of our operations.

AMG Lithium had lower revenue during the first half of 2024 compared to the first half of 2023 mainly due to the global decline in lithium market prices, as well as the decreased lithium concentrate volumes as a result of the ramp-up currently underway at our facility in Brazil. AMG Lithium had capital expenditures of \$37 million in the first half of 2024 which mainly reflects our investment into the battery-grade lithium hydroxide plant in Bitterfeld, Germany and the lithium concentrate capacity expansion project in Brazil.

AMG Vanadium had lower revenue compared to the same period in the prior year due largely to the global decline in vanadium prices, partially offset by increased volumes in vanadium and chrome.

AMG Technologies had higher revenue compared to the same period in the prior year. This improvement was driven by strong revenues in our engineering unit, as well as higher sales volumes of silicon, graphite and antimony and higher sales prices of antimony. Order backlog was \$310 million as of June 30, 2024. The Company signed \$172 million in new orders during the first half of 2024, representing a 1.09x book to bill ratio. The first half of 2024 benefited from strong orders of remelting and turbine blade coating furnaces.

AMG's selling, general and administrative expenses for the first half of 2024 were \$90 million, consistent with the same period in 2023.

AMG's net finance costs were \$22 million in the first half of 2024 compared to \$14 million in the first half of 2023. This increase was mainly driven by non-cash, intercompany foreign exchange losses of \$6 million in the first half of 2024 as compared to foreign exchange gains of \$2 million in the comparable prior period.

AMG recorded an income tax expense of \$14 million in first half of 2024, compared to \$62 million in the same period in 2023. This variance was due to lower profitability in the first half of 2024 compared to the same period in the prior year, as well as an \$8 million increased deferred tax expense related to the depreciation of the Brazilian real versus the US dollar. Fluctuations in the Brazilian real exchange rate impact the valuation of the Company's net deferred tax positions in Brazil. AMG paid taxes of \$12 million in the first half 2024, compared to \$56 million in the first half of 2023 largely due to the aforementioned lower profitability.

Net loss attributable to shareholders for the first half of 2024 of \$27 million compared to a net gain attributable to shareholders of \$99 million in the same period in 2023 was driven by the global decline in metal prices as noted above.

Cash used in operating activities of \$24 million in the first half of 2024 compared to cash from operating activities of \$153 million for the same period in 2023. The decrease was driven by lower net profit due to the factors noted above, as well as the ongoing working capital investment into our lithium business.

AMG's annualized return on capital employed for the first half of 2024 was 7.0%, as compared to 35.7% for the same period in 2023, reflecting the decreased profitability during the current period.

AMG finished the first half of 2024 with \$453 million of net debt. The increase in net debt was primarily related to investing cash flows attributable to capital expenditures for our growth projects, our acquisition of approximately 16% of the shares of Savannah Resources, and operating cash flows utilized for investments in working capital for our lithium refinery in Germany. In April 2024, AMG entered into a new \$100 incremental term loan, which is structured as a fungible add-on to the existing \$350 million senior secured term loan. This incremental term loan has the same pricing, terms and 2028 maturity as the existing term loan. AMG will use the proceeds of the new incremental term loan for general corporate purposes and lithium resource development.

AMG continued to maintain a strong balance sheet and adequate sources of liquidity during the year. As of June 30, 2024, AMG had \$308 million of unrestricted cash and total liquidity of \$508 million. With this cash on hand, AMG believes it can fully fund its current approved strategic projects.

Management's objectives consistently focus on delivering positive operational results as well as generating cash to be able to support expansion, research and development, and vertical integration strategies. These objectives are measured by the Company primarily using adjusted EBITDA and cash from operating activities. EBITDA, adjusted for exceptional items, is a measure used by management as a proxy for operating profit. Short-term executive incentive plans have adjusted EBITDA and cash flow from operations targets.

Adjusted EBITDA is not a defined performance measure in IFRS Standards. The Company's definition of adjusted EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities. The following table shows a reconciliation of the Company's net (loss) profit to adjusted EBITDA.

#### Profit for the period to adjusted EBITDA reconciliation

	For the six months ended	
	June 30,	
	2024	2023
(Loss) profit for the period	(24,627)	100,020
Income tax expense	13,828	62,479
Net finance cost	22,070	13,899
Equity-settled share-based payment transactions	3,039	2,964
Restructuring expense	2,717	363
Pension adjustment	—	6,700
Brazil's SP1+ expansion and commissioning	2,079	—
Silicon's partial closure	480	185
Inventory cost adjustment	6,065	4,188
Asset impairment reversal	—	(767)
Strategic project expenses <sup>(1)</sup>	14,777	7,101
Share of loss of associates	1,739	1,792
Others	16	—
<b>Adjusted EBIT</b>	<b>42,183</b>	<b>198,924</b>
Depreciation and amortization	28,119	26,640
<b>Adjusted EBITDA</b>	<b>70,302</b>	<b>225,564</b>

<sup>(1)</sup> The Company is in the initial development and ramp-up phases for several strategic expansion projects, including the joint venture with Shell, the LIVA Battery System, and the lithium expansion in Germany, which incurred project expenses during the period but are not yet operational. AMG is adjusting EBITDA for these exceptional charges.

## **Risks and Uncertainties**

In our 2023 Annual Report, we have described certain risk categories and risk factors which could have a material adverse effect on our financial position and results. These risks include the liquidity and cash flow, supply chain disruptions, global recession and inflation, metal and mineral price volatility, mining, customer, supply, project execution, legal and regulatory, climate change, currency, competition, product quality, safety and liability, financing, business interruption, information technology, and continuation of the COVID-19 pandemic. The Company believes that the risks identified for the second half of 2024 are in line with the risks that AMG presented in its 2023 Annual Report.

Additional risks currently not known to us, or currently believed not to be material, could ultimately have a material impact on our business, objectives, revenues, income, assets, liquidity, or capital resources.

## **Operational Outlook**

Looking ahead, we remain focused on our lithium projects and anticipate improved market conditions. We expect our adjusted EBITDA to exceed \$130 million for 2024.

AMG anticipates the Company will maintain an overall consistent level of staffing which was approximately 3,600 at December 31, 2023. While there have been increases in hiring associated with the ramp-up of the vanadium and lithium expansion projects, the growth of the LIVA business as well as hiring to support the aerospace recovery in our Engineering business, these increases have been offset by decreases as a result of our cost reduction and efficiency programs.

Capital expenditures for 2024 are expected to be approximately \$125 million mainly driven by the expansion of our lithium concentrate facility in Brazil and expenditures related to the construction of the lithium hydroxide plant in Germany.

With regard to financing in 2024, the Company entered into a new \$100,000 incremental term loan, structured as a fungible add-on to the existing \$350,000, 7-year senior secured term loan B facility ("term loan"). The \$100,000 incremental term loan has the same pricing, terms and 2028 maturity as the existing term loan. AMG will use the new incremental term loan for general corporate purposes and lithium resource development. Although we look to consistently optimize our financial structure, our current liquidity can fully fund all of the remaining approved capital expansion projects mentioned above.

AMG Critical Materials N.V.  
Condensed Interim Consolidated Income Statement  
For the six months ended June 30,  
*In thousands of US dollars*

	Note	2024 Unaudited	2023 Unaudited
<b>Continuing operations</b>			
Revenue	6	722,470	889,909
Cost of sales	10	(619,812)	(622,533)
<b>Gross profit</b>		<b>102,658</b>	<b>267,376</b>
<b>Selling, general and administrative expenses</b>		<b>(89,788)</b>	<b>(89,780)</b>
Other income, net		140	594
<b>Net other operating income</b>		<b>140</b>	<b>594</b>
<b>Operating profit</b>		<b>13,010</b>	<b>178,190</b>
Finance income		9,967	11,026
Finance cost		(32,037)	(24,925)
<b>Net finance cost</b>	12	<b>(22,070)</b>	<b>(13,899)</b>
Share of loss of associates and joint ventures		(1,739)	(1,792)
<b>(Loss) profit before income tax</b>		<b>(10,799)</b>	<b>162,499</b>
<b>Income tax expense</b>	7	<b>(13,828)</b>	<b>(62,479)</b>
<b>(Loss) profit for the year</b>		<b>(24,627)</b>	<b>100,020</b>
<b>(Loss) profit attributable to:</b>			
Shareholders of the Company		(27,262)	98,984
Non-controlling interests		2,635	1,036
<b>(Loss) profit for the year</b>		<b>(24,627)</b>	<b>100,020</b>
<b>(Loss) earnings per share</b>			
Basic (loss) earnings per share		(0.85)	3.08
Diluted (loss) earnings per share		(0.85)	3.01

*The notes are an integral part of these condensed interim consolidated financial statements.*

AMG Critical Materials N.V.  
Condensed Interim Consolidated Statement of Comprehensive Income  
For the six months ended June 30,  
*In thousands of US dollars*

	Note	2024 Unaudited	2023 Unaudited
<b>(Loss) profit for the period</b>		<b>(24,627)</b>	<b>100,020</b>
<b>Other comprehensive income</b>			
<i>Items of other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods:</i>			
<b>Exchange differences on translation of foreign operations</b>		<b>(5,295)</b>	<b>4,794</b>
Cash flow hedges, effective portion of changes in fair value		(558)	382
Cash flow hedges reclassified to profit or loss, net of tax		819	1,073
Cost of hedging reserve, changes in fair value		(290)	155
Income tax benefit (expense) on cash flow hedges		43	(1,075)
<b>Net increase on cash flow hedges</b>		<b>14</b>	<b>535</b>
<b>Net other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods</b>		<b>(5,281)</b>	<b>5,329</b>
<i>Items of other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:</i>			
<b>Exchange differences on translation of foreign operations - non-controlling interest</b>		<b>(903)</b>	<b>384</b>
Actuarial gains (losses) on defined benefit plans		4,877	(2,517)
Income tax (expense) benefit on actuarial gains (losses)		(1,791)	746
<b>Net gain (loss) on defined benefit plans</b>		<b>3,086</b>	<b>(1,771)</b>
<b>Change in fair value of equity investments classified as fair value through other comprehensive income</b>		<b>5,621</b>	<b>2,151</b>
<b>Net other comprehensive income not being reclassified to profit or loss in subsequent periods</b>		<b>7,804</b>	<b>764</b>
<b>Other comprehensive income for the period, net of tax</b>		<b>2,523</b>	<b>6,093</b>
<b>Total comprehensive (loss) income for the period, net of tax</b>		<b>(22,104)</b>	<b>106,113</b>
<b>Total comprehensive (loss) income attributable to:</b>			
Shareholders of the Company		(23,839)	104,477
Non-controlling interest		1,735	1,636
<b>Total comprehensive (loss) income for the period, net of tax</b>		<b>(22,104)</b>	<b>106,113</b>

*The notes are an integral part of these condensed interim consolidated financial statements.*

AMG Critical Materials N.V.  
Condensed Interim Consolidated Statement of Financial Position  
*In thousands of US dollars*

	Note	June 30, 2024 Unaudited	December 31, 2023
<b>Assets</b>			
Property, plant and equipment	8	944,188	921,178
Goodwill and other intangible assets	9	54,080	40,313
Derivative financial instruments	15	22,889	22,847
Equity-accounted investees		37,890	18,266
Other investments	15	44,082	38,160
Deferred tax assets	7	28,516	26,882
Restricted cash	8, 15	375	387
Other assets		14,395	12,060
<b>Total non-current assets</b>		<b>1,146,415</b>	<b>1,080,093</b>
Inventories	10	305,046	260,945
Derivative financial instruments	15	1,608	3,397
Trade and other receivables	6	187,855	164,027
Other assets		85,335	100,128
Current tax assets	7	5,656	7,845
Restricted cash	15	1,043	1,064
Cash and cash equivalents		307,525	345,308
<b>Total current assets</b>		<b>894,068</b>	<b>882,714</b>
<b>Total assets</b>		<b>2,040,483</b>	<b>1,962,807</b>
<b>Equity</b>			
Issued capital		853	853
Share premium		553,715	553,715
Treasury shares		(9,558)	(10,593)
Other reserves		(48,772)	(52,269)
Retained earnings	11	36,798	70,077
<b>Equity attributable to shareholders of the Company</b>		<b>533,036</b>	<b>561,783</b>
Non-controlling interests		45,323	44,220
<b>Total equity</b>		<b>578,359</b>	<b>606,003</b>
<b>Liabilities</b>			
Loans and borrowings	12	750,359	656,265
Lease liabilities		44,754	46,629
Employee benefits		124,874	133,333
Provisions		16,795	17,951
Deferred revenue	6	11,910	17,836
Other liabilities		6,589	4,784
Derivative financial instruments	15	146	27
Deferred tax liabilities	7	15,265	6,664
<b>Total non-current liabilities</b>		<b>970,692</b>	<b>883,489</b>
Loans and borrowings	12	5,571	5,566
Lease liabilities		5,745	5,725
Short-term bank debt	13	6,151	7,678
Deferred revenue	6	13,162	14,083
Other liabilities		75,733	77,052
Trade and other payables		270,797	259,339
Derivative financial instruments	15	2,142	2,828
Advance payments from customers	6	83,718	60,561
Current tax liability	7	16,724	24,279
Provisions		11,689	16,204
<b>Total current liabilities</b>		<b>491,432</b>	<b>473,315</b>
<b>Total liabilities</b>		<b>1,462,124</b>	<b>1,356,804</b>
<b>Total equity and liabilities</b>		<b>2,040,483</b>	<b>1,962,807</b>

*The notes are an integral part of these condensed interim consolidated financial statements.*



AMG Critical Materials N.V.  
Condensed Interim Consolidated Statement of Changes in Equity  
*In thousands of US dollars*

Equity attributable to shareholders of the Company

(Unaudited)

	Issued capital	Share premium	Treasury shares	Other reserves	Retained earnings (deficit)	Total	Non-controlling interests	Total equity
<b>Balance at January 1, 2024</b>	853	553,715	(10,593)	(52,269)	70,077	561,783	44,220	606,003
Foreign currency translation	—	—	—	(5,295)	—	(5,295)	(903)	(6,198)
Change in fair value of equity investments classified as FVOCI	—	—	—	5,621	—	5,621	—	5,621
Gains on cash flow hedges, net of tax	—	—	—	9	—	9	5	14
Actuarial gains (losses), net of tax	—	—	—	3,088	—	3,088	(2)	3,086
Net income (loss) recognized through other comprehensive income	—	—	—	3,423	—	3,423	(900)	2,523
(Loss) profit for the period	—	—	—	—	(27,262)	(27,262)	2,635	(24,627)
Total comprehensive income (loss) for the period	—	—	—	3,423	(27,262)	(23,839)	1,735	(22,104)
Purchase of common shares	—	—	(686)	—	—	(686)	—	(686)
Equity-settled share-based payments	—	—	—	—	3,039	3,039	—	3,039
Settlement of share-based payment awards	—	—	1,721	—	(1,675)	46	—	46
Transfer to retained deficit	—	—	—	74	(74)	—	—	—
Change in non-controlling interest	—	—	—	—	(339)	(339)	(632)	(971)
Dividend	—	—	—	—	(6,968)	(6,968)	—	(6,968)
<b>Balance at June 30, 2024</b>	<b>853</b>	<b>553,715</b>	<b>(9,558)</b>	<b>(48,772)</b>	<b>36,798</b>	<b>533,036</b>	<b>45,323</b>	<b>578,359</b>
<b>Balance at January 1, 2023</b>	853	553,715	(14,685)	(44,869)	(4,461)	490,553	27,296	517,849
Foreign currency translation	—	—	—	4,794	—	4,794	384	5,178
Change in fair value of equity investments classified as FVOCI	—	—	—	2,151	—	2,151	—	2,151
Gains on cash flow hedges, net of tax	—	—	—	490	—	490	45	535
Actuarial (losses) gains, net of tax	—	—	—	(1,942)	—	(1,942)	171	(1,771)
Net income recognized through other comprehensive income	—	—	—	5,493	—	5,493	600	6,093
Profit for the period	—	—	—	—	98,984	98,984	1,036	100,020
Total comprehensive income for the period	—	—	—	5,493	98,984	104,477	1,636	106,113
Purchase of common shares	—	—	(6,960)	—	—	(6,960)	—	(6,960)
Equity-settled share-based payments	—	—	—	—	2,964	2,964	—	2,964
Settlement of share-based payment awards	—	—	10,915	—	(10,733)	182	—	182
Transfer to retained deficit	—	—	—	42	(42)	—	—	—
Change in non-controlling interest	—	—	—	—	17,918	17,918	6,253	24,171
Dividend	—	—	—	—	(14,087)	(14,087)	—	(14,087)
<b>Balance at June 30, 2023</b>	<b>853</b>	<b>553,715</b>	<b>(10,730)</b>	<b>(39,334)</b>	<b>90,543</b>	<b>595,047</b>	<b>35,185</b>	<b>630,232</b>

The notes are an integral part of these condensed interim consolidated financial statements.

AMG Critical Materials N.V.  
Condensed Interim Consolidated Statement of Cash Flows  
For the six months ended June 30,  
*In thousands of US dollars*

		<b>2024</b>	<b>2023</b>
	Note	<b>Unaudited</b>	<b>Unaudited</b>
<b>Cash (used in) from operating activities</b>			
(Loss) profit for the period		(24,627)	100,020
Adjustments to reconcile net profit to net cash flows:			
<b>Non-cash:</b>			
Income tax expense	7	13,828	62,479
Depreciation and amortization		28,119	26,640
Asset impairment reversal	8	—	(767)
Net finance cost		22,070	13,899
Share of loss of associates and joint ventures		1,739	1,792
Loss on sale or disposal of property, plant and equipment	8	54	35
Equity-settled share-based payment transactions	14	3,039	2,964
Movement in provisions, pensions, and government grants		(4,299)	8,104
Working capital and deferred revenue adjustments		(37,313)	3,901
<b>Cash generated from operating activities</b>		<b>2,610</b>	<b>219,067</b>
Finance costs paid, net		(14,670)	(9,716)
Income tax paid		(12,129)	(55,981)
<b>Net cash (used in) from operating activities</b>		<b>(24,189)</b>	<b>153,370</b>
<b>Cash used in investing activities</b>			
Proceeds from sale of property, plant and equipment	8	11	26
Acquisition of property, plant and equipment and intangibles	8, 9	(59,235)	(69,291)
Investments in associates and joint ventures		(21,363)	(17,939)
Use of restricted cash	8	33	5,480
Interest received on restricted cash		—	30
Capitalized borrowing cost paid	8	(7,666)	(8,366)
Other		(14)	(1)
<b>Net cash used in investing activities</b>		<b>(88,234)</b>	<b>(90,061)</b>
<b>Cash from (used in) financing activities</b>			
Proceeds from issuance of debt	12	100,000	2,041
Payment of transaction costs related to debt	12	(2,483)	—
Repayment of loans and borrowings	12,13	(4,591)	(12,755)
Net repurchase of common shares		(688)	(6,960)
Dividends paid	11	(8,006)	(14,087)
Payment of lease liabilities		(3,222)	(2,659)
Advanced contributions		—	14,000
<b>Net cash from (used in) financing activities</b>		<b>81,010</b>	<b>(20,420)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(31,413)</b>	<b>42,889</b>
Cash and cash equivalents at January 1		345,308	346,043
Effect of exchange rate fluctuations on cash held		(6,370)	2,319
<b>Cash and cash equivalents at June 30</b>		<b>307,525</b>	<b>391,251</b>

*The notes are an integral part of these condensed interim consolidated financial statements.*

## Notes to the Condensed Interim Consolidated Financial Statements

### 1. Reporting entity

AMG Critical Materials N.V. (herein referred to as “the Company”, “AMG NV” or “AMG”) is domiciled in the Netherlands. These condensed consolidated interim financial statements (‘interim financial statements’) as of and for the six months ended June 30, 2024 comprise the Company and its subsidiaries (together referred to as ‘the Group’). The Group is primarily involved in the supply of critical materials, producing highly engineered specialty metals and mineral products and providing related vacuum furnace systems and services (see notes 5 and 6).

### 2. Basis of preparation

These interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* and should be read in conjunction with the Group’s last annual consolidated financial statements as of and for the year ended December 31, 2023 (‘last annual financial statements’). They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

### 3. Use of judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

### 4. Significant accounting policies

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group’s consolidated financial statements as of and for the year ended December 31, 2023 (the policy for recognizing and measuring income taxes in the interim period is described in note 7). A number of new standards are effective from January 1, 2024, but they do not have a material effect on the Group’s financial statements.

### 5. Segment Reporting

Effective January 1, 2024, the Company changed its organizational structure (previously AMG Clean Energy Materials, AMG Critical Minerals and AMG Critical Materials Technologies) into three, new reportable segments: AMG Lithium, AMG Vanadium and AMG Technologies. The following tables present revenue and profit information for the Company’s operating segments for the six months ended June 30, 2024 and 2023, respectively. AMG headquarters costs and assets are allocated thirty-four percent to AMG Lithium, thirty-three percent to AMG Vanadium and thirty-three percent to AMG Technologies for the years 2024 and 2023 based on an estimation of services provided to the operating segments.

#### Segment information:

<b>Six month period ended</b>		<b>AMG</b>	<b>AMG</b>		
<b>June 30, 2024</b>	<b>AMG Lithium</b>	<b>Vanadium</b>	<b>Technologies</b>	<b>Eliminations<sup>1</sup></b>	<b>Total</b>
<b>Revenue</b>					
Revenue from external customers	79,824	333,163	309,483	—	722,470
Intersegment revenue	5,397	1,320	2,236	(8,953)	—
	<b>85,221</b>	<b>334,483</b>	<b>311,719</b>	<b>(8,953)</b>	<b>722,470</b>
<b>Segment results</b>					
Operating (loss) profit	(12,479)	9,833	15,656	—	13,010

Six month period ended June 30, 2023	AMG				Total
	AMG Lithium	AMG Vanadium	Technologies	Eliminations <sup>1</sup>	
<b>Revenue</b>					
Revenue from external customers	264,141	375,150	250,618	—	889,909
Intersegment revenue	4,627	206	407	(5,240)	—
Total revenue	<b>268,768</b>	<b>375,356</b>	<b>251,025</b>	<b>(5,240)</b>	<b>889,909</b>
<b>Segment results</b>					
Operating profit	<b>163,493</b>	<b>9,886</b>	<b>4,811</b>	—	<b>178,190</b>
<b>Segment assets</b>					
At June 30, 2024	<b>563,951</b>	<b>934,939</b>	<b>541,593</b>	—	<b>2,040,483</b>
At December 31, 2023	519,944	909,506	533,357	—	1,962,807
<b>Segment liabilities</b>					
At June 30, 2024	<b>203,601</b>	<b>773,999</b>	<b>484,524</b>	—	<b>1,462,124</b>
At December 31, 2023	181,426	729,941	445,437	—	1,356,804

<sup>1</sup> Eliminations column includes intersegment trade eliminations. The intersegment revenue eliminates against the intersegment cost of sales.

## 6. Revenue

The Company's operations and main revenue streams are those described in the last annual financial statements. The Company's revenue is derived from contracts with customers.

### Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see note 5).

### Geographical information:

Six month period ended June 30, 2024	AMG	AMG	AMG	Total
	Lithium	Vanadium	Technologies	
Asia	38,533	63,252	60,486	162,271
North America	4,113	179,160	83,254	266,527
Europe	13,928	80,903	163,475	258,306
South America	22,987	6,209	1,186	30,382
Other	263	3,639	1,082	4,984
Total Revenue	<b>79,824</b>	<b>333,163</b>	<b>309,483</b>	<b>722,470</b>
<b>Timing of revenue recognition</b>				
Products transferred at a point in time	79,824	333,163	195,485	608,472
Products and services transferred over time	—	—	113,998	113,998
Total Revenue	<b>79,824</b>	<b>333,163</b>	<b>309,483</b>	<b>722,470</b>

	AMG Lithium	AMG Vanadium	AMG Technologies	Total
<b>Six month period ended</b>				
June 30, 2023				
Asia	219,146	61,542	68,538	349,226
North America	5,495	215,115	47,035	267,645
Europe	10,298	93,968	132,524	236,790
South America	28,711	1,519	674	30,904
Other	491	3,006	1,847	5,344
Total Revenue	<b>264,141</b>	<b>375,150</b>	<b>250,618</b>	<b>889,909</b>
<b>Timing of revenue recognition</b>				
Products transferred at a point in time	264,141	375,150	157,391	796,682
Products and services transferred over time	—	—	93,227	93,227
Total Revenue	<b>264,141</b>	<b>375,150</b>	<b>250,618</b>	<b>889,909</b>

### Contract balances

The following table provides information about receivables, contract assets, and contract liabilities from contracts with customers.

	June 30, 2024	December 31, 2023
Trade receivables, net of allowance for doubtful accounts	<b>127,608</b>	122,939
Gross amount due from customers for contract work	<b>59,710</b>	40,674
Advance payments	<b>83,718</b>	60,561
Deferred revenue	<b>25,072</b>	31,919

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date for furnace construction contracts. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from customers. The advanced payments balance above pertains to consideration received for furnace construction contracts. The remaining contract liabilities pertain to prepayments received from customers for spodumene sale contracts, spent catalyst processing fee contracts, and titanium aluminide contracts and are included in the deferred revenue balance.

The Company recognized revenues of \$77,641 (2023: \$80,673) that were included in the balance of contract liabilities as of December 31, 2023. There were \$7,302 (2023: \$3,389) of revenues recognized in the six months ended June 30, 2024 that pertained to performance obligations that were satisfied or partially satisfied in previous periods.

## 7. Income tax expense

The major components of income tax expense in the condensed interim consolidated income statement are:

	June 30, 2024	June 30, 2023
<b>Current income tax</b>		
Current income tax expense	(8,965)	(72,253)
<b>Deferred income tax (expense) benefit</b>		
Origination and reversal of temporary differences	7,365	16,396
Changes in previously recognized tax losses, tax credits and recognized temporary difference for changes in enacted tax rates and currency effects	(12,228)	(6,622)
<b>Total income tax expense</b>	<b>(13,828)</b>	<b>(62,479)</b>

The June 30, 2024 effective tax rate was impacted by pre-tax losses and related carryforwards of \$39,469, for which tax benefits could not be recorded due to the ongoing loss positions in the respective jurisdictions where the losses have occurred. Also, during the period ended June 30, 2024, the net recognized deferred tax assets (liabilities) were adjusted to reflect changes in currency rates in Brazil. The impact of the currency rates in Brazil was an increase to income tax expense of \$8,279.

The June 30, 2023 effective tax rate was impacted by pre-tax losses and related carryforwards of \$19,414 for which tax benefits could not be recorded due to the ongoing loss positions in the respective jurisdictions where the losses have occurred.

On October 8, 2021, the Organization for Economic Co-operation and Development (the "OECD"), released a statement on the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting ("BEPS"), which agreed to a two-pillar solution to address the tax challenges arising from the digitalization of the economy. Pillar One targets new taxing rights and reallocation rules of large enterprises with global revenues in excess of €20 billion and profits of 10%. The Company is currently out of scope of Pillar One rules. Pillar Two model rules were released by the OECD on December 20, 2021 with the goal of establishing a global 15% minimum tax, also referred to as Global Anti-Base Erosion ("GloBE") rules, on earnings of multinational companies with consolidated annual revenues exceeding €750 million. The European Union ("EU") member states agreed to adopt the 15% minimum tax under the Pillar Two model rules to be enacted into member states' domestic tax laws by December 31, 2023 with an effective date beginning in 2024. Numerous jurisdictions in which the company operates have enacted or are in the process of enacting legislation to adopt the 15% minimum tax rate, including the Netherlands and Germany. At this time, the Company anticipates qualifying for at least one safe harbor in the majority of jurisdictions in which it operates. The Company is still assessing Pillar Two implications and will continue to closely monitor developments and evaluate the potential impact to the Company in 2024 and beyond.

## 8. Property, plant and equipment

### Acquisitions and disposals

During the six months ended June 30, 2024, assets with a cost of \$50,603 (2023: \$69,083) were acquired. Additionally, the property, plant and equipment in accounts payable decreased \$1,722 (2023: increased \$176). For the six months ended June 30, 2024, our vanadium spent catalyst recycling facility in Zanesville, Ohio was completed and fully operational. For the six months ended June 30, 2023, restricted cash was mainly used to fund \$5,530 of project requisitions related to our vanadium spent catalyst recycling facility in Zanesville, Ohio, and \$3,490 of capitalized interest payments, net of interest income, related to the project.

Assets with a book value of \$65 were disposed of during the six months ended June 30, 2024 (2023: \$61) resulting in a loss on sale or disposal of \$54 (2023: \$35).

The Company recorded an asset impairment of nil (2023: (\$767)). The asset impairment reversal during the six months ended June 30, 2023 was mainly related to insurance proceeds of \$1,098 offset by restructuring expenses of \$88 for an equipment claim at one of our facilities in the UK and \$243 for tantalum equipment no longer in use at our Brazilian location.

## Borrowing costs

The Company capitalized borrowing costs of \$7,666 (2023: \$4,846) during the six months ended June 30, 2024. The capitalized borrowing costs in the six months ended June 30, 2024 and 2023 primarily related to the construction of the lithium hydroxide and vanadium electrolyte plants in our German subsidiaries and the lithium concentrate expansion in Brazil.

## 9. Intangible assets

Goodwill and indefinite-lived intangible assets are tested for impairment annually, and all other intangible assets are tested when circumstances indicate the carrying value may be impaired. No impairment tests were deemed necessary as there were no indicators of impairment at June 30, 2024 and 2023.

During the six months ended June 30, 2024, intangible assets with a cost of \$15,550 (2023: \$384) were capitalized. Approximately \$15,000 (2023: nil) pertains to intellectual property acquired by our Vanadium and LIVA businesses, of which \$8,640 is recorded under accruals and other liabilities on the balance sheet at period end (2023: nil).

## 10. Inventory

### Write-down of inventories

As of June 30, 2024, inventory increased to \$305,046 (December 31, 2023: \$260,945) mainly driven by the ramp-up of our lithium hydroxide plant in Germany, our engineering projects and our Brazilian mine expansion, partially offset by decreasing metal prices.

During the six months ended June 30, 2024, the Group wrote down its inventory by \$7,916 (2023: \$7,291). This is a result of inventory cost adjustments associated with declining prices, primarily in our Lithium and Vanadium businesses.

## 11. Capital and reserves

### Dividends

Dividends of \$6,968 (2023: \$14,087) or €0.20 (2023: €0.30) per share were declared and paid during the six months ended June 30, 2024. Additionally, dividends of \$1,038 declared in 2023 were paid by our Brazilian subsidiary to its non-controlling interest during the six months ended June 30, 2024 (2023: nil).

## 12. Loans and borrowings

The table below includes loans and borrowings for the six months ending June 30, 2024 and 2023:

	2024	2023
<b>Beginning balance</b>	661,831	676,434
<b>New issues</b>		
Term loan, net of debt issuance costs	96,930	—
<b>Repayments</b>		
Term loan and revolving credit facility	(2,006)	(1,750)
Subsidiary debt	(984)	(10,575)
<b>Other movements</b>	159	391
<b>Ending balance</b>	755,930	664,500

### Term loan and revolving credit facility

On April 15, 2024, AMG entered into a new \$100,000 incremental term loan, structured as a fungible add-on to the existing \$350,000, 7-year senior secured term loan B facility ("term loan"). The \$100,000 incremental term loan has the same pricing, terms and 2028 maturity as the existing \$350 million term loan. AMG will use the proceeds of the new incremental term loan for general corporate purposes and lithium resource development.

## Net Finance Costs

AMG's net finance costs were \$22,070 for the six month period ended June 30, 2024 compared to \$13,899 in the first half of 2023. This increase was mainly driven by non-cash, intercompany foreign exchange losses of \$6,228 in the first half of 2024 as compared to foreign exchange gains of \$1,859 in the comparable prior period.

### 13. Short-term bank debt

During the six months ended June 30, 2024, a Chinese subsidiary secured new short-term bank debt of \$1,376 (2023: \$4,754) primarily to finance working capital. The loans are denominated in Chinese renminbi and have an interest rate of 4.30%. The loans have varying maturities with the latest maturity date occurring in June 2025. In addition, during the first six months ended June 30, 2024, there were repayments of short-term bank debt of \$2,665 (2023: \$2,713).

### 14. Share-based payments

In May 2021, the shareholders of the Company approved the Company's Remuneration Policy and long-term incentive program at the Annual General Meeting. Under the terms of the Remuneration Policy, all awards for members of the Management Board were issued in the form of performance share units ("PSU's"). The PSU's feature a three-year service period and also require an additional two-year holding period subsequent to vesting in line with the Dutch Corporate Governance Code. The PSU's have a market performance vesting condition based upon the Company's total shareholder return relative to a global peer group. The PSU's do not vest for performance below the 50th percentile. The Company also established a restricted share unit ("RSU") plan as an additional compensation tool for the Company's employees, which is discussed in detail below.

#### Equity-settled stock options

Equity-settled stock options were discontinued as a result of the Company's 2021 Remuneration Policy. As such, there were no share options issued for the six months ended June 30, 2024 and 2023. However, stock options that were issued under the previous Remuneration Policy remain outstanding.

In the six months ended June 30, 2024, the Company recorded \$10 (2023: \$64) of expense related to stock options. There were nil (2023: nil) vested stock options exercised during the six months ended June 30, 2024.

#### Performance share units

During the six months ended June 30, 2024, the Company issued 392,114 (2023: 160,289) performance share units. The fair value of the PSU's granted during the six months ended June 30, 2024 was calculated as €20.14 (2023: €35.22) using a Monte Carlo simulation. The Company recorded expense of \$2,547 (2023: \$1,872) related to the outstanding PSU's in the six months ended June 30, 2024.

During the six months ended June 30, 2024, the 2021 PSU awards did not vest based on performance conditions, thus no treasury shares were reissued. During the six months ended June 30, 2023, the 2020 PSU awards vested based on performance conditions, and the Company re-issued 415,116 treasury shares for settlement of the awards.

#### Restricted share units

The RSU plan provides share-based payments as a component of compensation to senior employees of the Company. RSU's granted to each employee will vest on the third anniversary of the grant date. The vesting is subject only to service conditions provided that the employee has remained continuously in the employment of the Company or a Group Company until the vesting date. In the event that the Supervisory Board has approved to pay-out any dividends to shareholders of the Company, the equivalent of the cash amount of the dividend will be converted to incremental RSU's to be awarded upon the vesting date to employees. As these awards will be equity-settled, the balance is recorded in equity rather than as a liability in accordance with IFRS 2. During the six months ended June 30, 2024, the Company re-issued 78,278 (2023: nil) treasury shares as settlement of the awards. The Company recorded expense of \$482 (2023: \$1,028) related to the outstanding RSU's in the six months ended June 30, 2024.



## 15. Financial instruments - Fair values and risk management

### (a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy at June 30, 2024. The fair value of the financial assets and liabilities are included at the price that would be received to sell the instrument in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Methods and assumptions used to estimate fair values are consistent with those used in the year ended December 31, 2023.

June 30, 2024	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>				
Restricted cash	1,418	1,418	—	—
Other investments	44,082	14,204	—	29,878
<b>FVOCI - equity instruments</b>	<b>45,500</b>	<b>15,622</b>	<b>—</b>	<b>29,878</b>
Foreign currency forward contracts	1,486	—	1,486	—
Commodity forward contracts	88	—	88	—
Interest rate derivatives	22,889	—	22,889	—
Energy forward contracts	34	—	34	—
<b>Derivatives designated as hedging instruments</b>	<b>24,497</b>	<b>—</b>	<b>24,497</b>	<b>—</b>
Interest rate derivatives	—	—	—	—
<b>Derivatives not designated as hedging instruments</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
	<b>69,997</b>	<b>15,622</b>	<b>24,497</b>	<b>29,878</b>
<b>Total current</b>	<b>2,651</b>			
<b>Total non-current</b>	<b>67,346</b>			
June 30, 2024	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial liabilities measured at fair value</b>				
Foreign currency forward contracts	1,232	—	1,232	—
Commodity forward contracts	67	—	67	—
Energy forward contracts	885	—	885	—
<b>Derivatives designated as hedging instruments</b>	<b>2,184</b>	<b>—</b>	<b>2,184</b>	<b>—</b>
Interest rate derivatives	104	—	104	—
<b>Derivatives not designated as hedging instruments</b>	<b>104</b>	<b>—</b>	<b>104</b>	<b>—</b>
Contingent consideration	10,466	—	—	10,466
	<b>12,754</b>	<b>—</b>	<b>2,288</b>	<b>10,466</b>
<b>Total current</b>	<b>8,642</b>			
<b>Total non-current</b>	<b>4,112</b>			

December 31, 2023	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>				
Restricted cash	1,451	1,451	—	—
Other investments	38,160	15,079	—	23,081
<b>FVOCI - equity instruments</b>	<b>39,611</b>	<b>16,530</b>	<b>—</b>	<b>23,081</b>
Foreign currency forward contracts	3,050	—	3,050	—
Commodity forward contracts	325	—	325	—
Interest rate derivatives	22,756	—	22,756	—
Energy forward contracts	13	—	13	—
<b>Derivatives designated as hedging instruments</b>	<b>26,144</b>	<b>—</b>	<b>26,144</b>	<b>—</b>
Interest rate derivatives	100	—	100	—
<b>Derivatives not designated as hedging instruments</b>	<b>100</b>	<b>—</b>	<b>100</b>	<b>—</b>
	<b>65,855</b>	<b>16,530</b>	<b>26,244</b>	<b>23,081</b>
<b>Total current</b>	<b>3,397</b>			
<b>Total non-current</b>	<b>62,458</b>			
<b>December 31, 2023</b>				
December 31, 2023	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial liabilities measured at fair value</b>				
Foreign currency forward contracts	1,349	—	1,349	—
Commodity forward contracts	172	—	172	—
Interest rate derivatives	—	—	—	—
Energy forward contracts	1,329	—	1,329	—
<b>Derivatives designated as hedging instruments</b>	<b>2,850</b>	<b>—</b>	<b>2,850</b>	<b>—</b>
Interest rate derivatives	5	—	5	—
<b>Derivatives not designated as hedging instruments</b>	<b>5</b>	<b>—</b>	<b>5</b>	<b>—</b>
Contingent consideration	<b>1,886</b>	<b>—</b>	<b>—</b>	<b>1,886</b>
	<b>4,741</b>	<b>—</b>	<b>2,855</b>	<b>1,886</b>
<b>Total current</b>	<b>4,714</b>			
<b>Total non-current</b>	<b>27</b>			

For cash and cash equivalents, trade and other receivables, trade payables, and short-term bank debt, the carrying amounts approximate fair value because of the short maturity of these instruments, and therefore, fair value information is not included in the tables above. As of June 30, 2024, trade payables include \$63,565 (December 31, 2023: \$53,925) of payables that have been factored by suppliers in a supply chain financing arrangement. The fair value of the Company's term loan B was \$439,892 (December 31, 2023: \$341,714) based on quoted prices at June 30, 2024. The Company's municipal bonds are fixed rate borrowings, and the fair value of those bonds was \$288,065 (December 31, 2023: \$277,380) based on quoted prices at June 30, 2024. The fair value of the term loan and municipal bonds is based on quoted prices for similar securities adjusted for the prevailing market-based yields and are deemed to be Level 2 inputs. The remaining loans and borrowings primarily maintain a floating interest rate and approximate fair value.

There were no transfers of financial instruments between Levels 1 and 2 for the periods ended June 30, 2024 and 2023.

There were also no transfers of financial instruments out of Level 3 for the periods ended June 30, 2024 and 2023.

Reconciliation of recurring fair value measurements categorized as Level 3 within the fair value hierarchy:

	<b>Non-qualified pension assets and other</b>	<b>Non-quoted equity investment in Global Advanced Metals Pty. LTD</b>	<b>Contingent consideration</b>
Balance at January 1, 2024	8,524	14,557	1,886
Purchases	418	—	8,640
Changes in fair value	1,115	5,264	7
Foreign currency loss	—	—	(67)
<b>Balance at June 30, 2024</b>	<b>10,057</b>	<b>19,821</b>	<b>10,466</b>

	<b>Non-qualified pension assets</b>	<b>Non-quoted equity investment in Global Advanced Metals Pty. LTD</b>	<b>Contingent consideration</b>
Balance at January 1, 2023	7,473	13,629	2,292
Purchases	990	—	—
Changes in fair value	(26)	1,411	(654)
Foreign currency gain	—	—	48
Balance at June 30, 2023	8,437	15,040	1,686

#### (b) Risk management activities

The Company views derivative instruments as risk management tools and does not use them for trading or speculative purposes. During the course of operations, including normal purchases and normal sales of product, the Company enters into commodity forward and foreign exchange forward contracts to manage price and currency risks. There have been no other changes to the Company's risk management activities as disclosed in our December 31, 2023 annual report.

#### 16. Commitments and contingencies

##### Commitments

There were commitments for the manufacture and purchase of property, plant and equipment in the amount of \$25,510 (December 31, 2023: \$30,847). These capital commitments related primarily to AMG Lithium's construction of building site facilities in Bitterfeld, Germany, AMG Brazil's capital expenditures related to Spodumene 1+ and the acquisition of certain intangible assets by AMG Vanadium.

##### Contingencies

At June 30, 2024, there were business-related bank guarantees for the benefit of third parties in the amount of \$201,777 (December 31, 2023: \$197,513), which were made in the normal course of business.

There have been no material updates to the Company's contingencies.

#### 17. Related parties

Material related party transactions during the period include the recognition of stock-based compensation for certain employees and the exercise and settlement of certain stock-based compensation arrangements. These transactions are disclosed in more detail in notes 11 and 14.

Effective May 8, 2024, the Company entered into an employment agreement with the Chief Corporate Development Officer, a newly nominated member of the Management Board. The key terms of the agreement include an annual base salary of \$600, an annual short-term incentive of 65% of base salary for on-target performance up to a maximum pay-out of 200% of the target, an annual grant of performance share units with a target value of 90% of annual base salary, an annual pension contribution, and a severance arrangement up to a maximum of one year's annual base salary.