



AMG REPORTS RECORD-SETTING EARNINGS FOR THE FULL YEAR 2023

Amsterdam, 21 February 2024 (Regulated Information) --- AMG Critical Materials N.V. (“AMG”, Euronext Amsterdam: “AMG”) reported record-setting adjusted EBITDA \$350 million in 2023, due largely to strong profitability in our lithium and vanadium businesses. Fourth quarter 2023 revenue was \$367 million, a 6% decrease versus the fourth quarter of 2022. Fourth quarter 2023 adjusted EBITDA of \$71 million decreased 32% compared to the fourth quarter of 2022.

Cash from operating activities was \$223 million in 2023, the highest in AMG’s history, and 33% higher than the \$168 million in 2022.

<i>In 000's US dollars</i>	Q4 '23	Q4 '22	Change	FY '23	FY '22	Change
Revenue	\$367,235	\$390,004	(6%)	\$1,625,861	\$1,642,774	(1%)
Adjusted EBITDA ⁽¹⁾	71,142	104,061	(32%)	350,491	342,550	2%
Cash from operating activities	44,704	56,969	(22%)	223,000	167,567	33%
Return on Capital Employed	26.3%	30.8%		26.3%	30.8%	

Note:

(1) Adjusted EBITDA is defined as EBIT adjusted for depreciation and amortization.

Dr. Heinz Schimmelbusch, Chairman of the Management Board and CEO, said, “AMG has achieved the highest adjusted EBITDA in its 16 year history with \$350 million for the full year 2023. Market conditions for all products within our portfolio substantially weakened as the year progressed. The 32% decrease in adjusted EBITDA compared to the fourth quarter of 2022 was driven in large part by the global decline in metal prices within our portfolio, predominantly the lithium price decline. The average quarterly prices of lithium carbonate and ferrovandium decreased over 76% and 26%, respectively, versus the average pricing in the fourth quarter of 2022.

Cash from operating activities was \$223 million in 2023, the highest in AMG’s history, and 33% higher than the \$168 million in 2022. We were \$38 million free cash flow positive for the year despite investing \$169 million in capital projects as well as acquiring a 25% stake in Zinnwald in 2023. This underscores our low-cost position in both lithium and vanadium. We ended the year in a \$323 million net debt position, and continued to maintain a strong balance sheet and adequate sources of liquidity. As of December 31, 2023, the Company had \$345 million in unrestricted cash and cash equivalents and \$195 million available on its revolving credit facility. As such, AMG had \$540 million of total liquidity as of December 31, 2023. AMG continues to benefit from

its low-cost fixed-rate debt facilities, and has an average interest rate charge across its two main debt instruments of 5%.

AMG Engineering signed \$350 million in new orders during 2023, the highest full year order intake in AMG's history, and 24% higher than in 2022. This record order intake was driven by strong orders of remelting and heat treatment furnaces, representing a 1.27x book to bill ratio. AMG's order backlog was \$295 million as of December 31, 2023.

Through its critical materials science-based solutions, AMG, as its mission, seeks to contribute to CO₂ reduction by way of "enabling" its customers to increase the efficiency of renewable energy production, and to "enable" energy saving strategies. We measure the enabled contribution to CO₂ reduction at our customer level via stringent third-party developed life cycle assessments. We based this mission on the belief that in this obviously high growth environment, we could achieve both above average financial returns and use our proprietary technologies to be at the forefront of the industrial contribution to atmospheric CO₂ reduction. Our Enabling CO₂ Reduction Portfolio (ECO₂RP) in 2023 enabled 110.3 million tons of CO₂ reduction, 11% more than the 99.4 million tons of enabled CO₂ reduction in 2022."

Lithium

- In Brazil, our lithium concentrate plant will temporarily stop production for the change-over period in March 2024 in order to facilitate the expansion from 90,000 tons to 130,000 tons. We expect to produce 93,000 tons for the full year of 2024 and will operate at the full expanded capacity rate, or 130,000 tons per year, in the fourth quarter of 2024.
- AMG's lithium hydroxide refinery's first 20,000-ton module in Bitterfeld, Germany, is in advanced phases of commissioning, and the product qualification process is planned to start in the third quarter of 2024.

Vanadium

- The Zanesville, Ohio facility exceeded our target production volumes in the fourth quarter of 2023. The production from both the roasting operation and the melt shop exceeded historical averages achieved by the Cambridge, Ohio operation.
- Enacted by the Inflation Reduction Act of 2022, AMG Vanadium qualified for Section 45X effective from 2023 onwards, which provides a production credit for domestic manufacturing of critical materials. Based on preliminary regulations as issued by the IRS, AMG expects to receive a subsidy of approximately \$6 million

for full year 2023. The ruling is still in the comment period and, as such, is subject to a final determination.

- AMG's innovative lithium vanadium battery ("LIVA") projects are integral for industrial power management applications and accelerate the energy transition. The batteries are currently under various stages of bidding and development. One is operational, three are currently under contract and being engineered, and 15 are in bidding and development stages, with a total megawatt hour (MWh) capacity of 749 MWh.
- AMG LIVA has agreed to acquire the Vanadium Redox Flow Battery ("VRFB") activities from J.M. VOITH SE & CO. KG ("VOITH"). VOITH has developed an advanced technology for controlling and balancing large-scale high-voltage VRFB energy storage systems. The technology complements LIVA's VRFB system development. LIVA will continue to develop the technology and integrate it into its large-scale energy storage systems.
- The vanadium electrolyte plant at AMG Titanium in Nuremberg, Germany is under construction. The target capacity is 6,000 m³ vanadium electrolyte, the equivalent of approximately 100 MWh, which will serve the electricity storage market, including a vertical integration into LIVA batteries. We expect to have nameplate capacity available by the second half of 2024.
- AMG Vanadium has acquired the processing technologies and IP related activities from Transformation Technologies Inc. ("TTI"), a US company based in Oregon. This unique thermal treatment of spent catalyst and other oil refinery wastes into valuable products is complementary to AMG's existing spent catalyst processing technology and know-how. AMG will integrate the TTI technology into its global strategic growth initiatives conducted through Shell & AMG Recycling ("SARBV").
- SARBV's "Supercenter" project in the Middle East is a facility to produce high-purity vanadium oxides for applications such as chemicals and aerospace as well as vanadium electrolyte for the long duration energy storage market in the Kingdom of Saudi Arabia. The facility will operate under a long-term supply contract with Saudi Aramco for vanadium-containing gasification ash from its power plants in the Kingdom. For illustration purposes, Phase 1 of the Supercenter plans to produce 8 million pounds of vanadium oxide from 7,000 metric tons of gasification ash located at a site in Jubail, Kingdom of Saudi Arabia. The FEL3 basic engineering has been submitted. The full Supercenter project will also include the processing of spent catalysts, a Fresh Catalyst R&D facility and a LIVA Hybrid Energy Storage System.

Financial Highlights

- AMG's full year 2023 adjusted EBITDA was a record-setting \$350 million due largely to high profitability in our lithium and vanadium businesses, offset by lower profit in AMG Critical Minerals.
- Cash from operating activities was \$223 million in 2023, compared to \$168 million in 2022, largely driven by the lithium and vanadium expansion projects as well as strong cash flows from our Silicon business driven by energy sales.
- AMG's free cash flow⁽¹⁾ was \$38 million in 2023.
- AMG's liquidity as of December 31, 2023 was \$540 million, with \$345 million of unrestricted cash and \$195 million of revolving credit availability.
- Annualized return on capital employed was 26.3% for 2023, compared to 30.8% in 2022.
- AMG Engineering signed \$350 million in new orders during 2023, the highest in AMG's history and 24% higher than in 2022.
- The total 2023 dividend proposed is €0.60 per ordinary share, including the interim dividend of €0.40, paid on August 9, 2023.

Note:

(1) Free cash flow is defined as cash flows from operating activities less cash flows used in investing activities.

Key Figures

In 000's US dollars

	Q4 '23	Q4 '22	Change	FY '23	FY '22	Change
Revenue	\$367,235	\$390,004	(6%)	\$1,625,861	\$1,642,774	(1%)
Gross profit	55,252	119,981	(54%)	389,431	409,486	(5%)
Gross margin	15.0%	30.8%		24.0%	24.9%	
Operating profit	19,503	82,319	(76%)	221,752	307,059	(28%)
Operating margin	5.3%	21.1%		13.6%	18.7%	
Net income attributable to shareholders	2,173	60,697	(96%)	101,320	187,589	(46%)
EPS - Fully diluted	0.07	1.85	(96%)	3.12	5.73	(46%)
EBIT ⁽¹⁾	56,706	91,719	(38%)	295,855	297,251	—%
Adjusted EBITDA ⁽²⁾	71,142	104,061	(32%)	350,491	342,550	2%
Adjusted EBITDA margin	19.4%	26.7%		21.6%	20.9%	
Cash from operating activities	44,704	56,969	(22%)	223,000	167,567	33%

Notes:

- (1) EBIT is defined as earnings before interest and income taxes. EBIT excludes restructuring, asset impairment, inventory cost adjustments, environmental provisions, exceptional legal expenses and other exceptional items, equity-settled share-based payments, and strategic expenses.
- (2) Adjusted EBITDA is defined as EBIT adjusted for depreciation and amortization.

Operational Review

AMG Clean Energy Materials

	Q4 '23	Q4 '22	Change	FY '23	FY '22	Change
Revenue	\$157,594	\$176,065	(10%)	\$725,505	\$667,804	9%
Gross profit	35,112	81,583	(57%)	274,387	267,862	2%
Operating profit	28,576	69,779	(59%)	217,309	222,590	(2%)
Adjusted EBITDA	55,924	80,347	(30%)	297,190	259,480	15%

AMG Clean Energy Materials' revenue decreased 10% compared to the fourth quarter of 2022, to \$158 million, driven mainly by the 76% and 26% decrease in prices for lithium carbonate and ferrovandium, respectively, since the fourth quarter of 2022. This price decrease was partially offset by increased volumes in vanadium and lithium. Higher average annual prices for spodumene as well as higher sales volumes of vanadium, lithium concentrate, and tantalum propelled revenue for the segment 9% higher on a full year basis. In 2023, ferrovandium and tantalum concentrate sales increased 45% and 56%, respectively, versus the prior year.

Gross profit for the quarter decreased 57% compared to the same period in the prior year, primarily due to the lower sales prices. The primary driver was the lithium price decline, which fell 76% since the fourth quarter of 2022. Full year gross profit increased 2% compared to 2022, due to the higher prices and volumes noted above.

SG&A expenses of \$67 million in 2023 were 47% higher than in 2022, mainly driven by the increase in headcount related to the lithium and vanadium expansion projects, as well as higher employee benefit costs, professional fees and research and development costs.

The fourth quarter 2023 adjusted EBITDA decreased 30%, to \$56 million, from \$80 million in the fourth quarter of 2022, due to the decline in metal prices as noted above. Full year 2023 adjusted EBITDA, however, was 15% higher than in 2022, driven by higher prices and higher volumes as well as the incremental dividend noted below.

Enacted by the Inflation Reduction Act of 2022, AMG Vanadium qualifies for Section 45X which provides a production credit for domestic manufacturing of critical materials from 2023 onwards. Based on preliminary regulations as issued by the IRS, AMG expects to receive a subsidy of approximately \$6 million for full year 2023. This subsidy is included in gross profit. The ruling is still in the comment period and, as such, is subject to a final determination.

AMG received a \$10 million dividend from an equity investment which is included in adjusted EBITDA.

During the fourth quarter of 2023, a total of 29,706 dry metric tons (“dmt”) of lithium concentrates were sold, 39% higher than the 21,329 dmt in the fourth quarter of 2022 due to shipping variances in 2023. The average realized sales price was \$1,943/dmt CIF China for the quarter. The average cost per ton for the quarter was \$498/dmt CIF China.

During 2023, a total of 95,097 dry metric tons (“dmt”) of lithium concentrates were sold, an increase of 8,384 dmt versus 2022. The average realized sales price for 2023 was \$3,160/dmt CIF China, an increase of \$355/dmt over 2022. The average cost per ton for 2023 was \$475/dmt CIF China.

It is important to note that fourth quarter pricing benefited from the timing lag experienced related to the contractual pricing agreements with our lithium concentrate customers. The prices of lithium concentrate and lithium carbonate have declined 56% and 41%, respectively, since the end of the third quarter 2023.

In 2024, we anticipate the cost per ton to rise due to unabsorbed costs during the ramp-up as well as lower relative tantalum sales volumes offsetting higher spodumene

production. AMG is one of the lowest cost lithium concentrate mines in the world and we plan to maintain that position.

AMG Critical Minerals

	Q4 '23	Q4 '22	Change	FY '23	FY '22	Change
Revenue	\$54,903	\$69,242	(21%)	\$227,696	\$364,502	(38%)
Gross (loss) profit	(6)	19,017	N/A	21,953	46,721	(53%)
Operating (loss) profit	(7,407)	10,961	N/A	(6,872)	63,995	N/A
Adjusted EBITDA	1,618	14,001	(88%)	6,947	38,280	(82%)

AMG Critical Minerals' revenue for the fourth quarter of 2023 decreased by 21%, to \$55 million, mainly due to lower volumes largely driven by the silicon metal plant operating one furnace during the quarter, as discussed in detail below. The slowdown in the European industrial economy also continued to negatively impact the segment.

Gross profit in the fourth quarter of 2023 was \$19 million lower compared to the same period in 2022, largely due to lower volumes in silicon and antimony in the current quarter.

SG&A expenses in 2023 of \$29 million were 4% higher than in 2022 related to an increase in professional fees during the fourth quarter.

The fourth quarter 2023 adjusted EBITDA decreased 88% compared to the same period in 2022, to \$2 million, largely driven by the silicon metal plant as well as the slowdown in the end-use markets for the segment in the current quarter. As a result, full year 2023 adjusted EBITDA decreased to \$7 million from \$38 million in the prior year.

AMG Silicon operated one of four furnaces in the fourth quarter of 2023. We plan to run two of four furnaces for the remainder of 2024. The operational parameters of the silicon business will continue to be reviewed on an ongoing basis. Due to the noted interruptions in AMG Silicon's operations, the financial impact of the business will be excluded from adjusted EBITDA during this period of abnormal operations. However, AMG Silicon generated \$26 million in cash flow from operating activities during the quarter driven by the receipt of energy sales made in the fourth quarter of 2022.

AMG Critical Materials Technologies

	Q4 '23	Q4 '22	Change	FY '23	FY '22	Change
Revenue	\$154,738	\$144,697	7%	\$672,660	\$610,468	10%
Gross profit	20,146	19,381	4%	93,091	94,903	(2%)
Operating (loss) profit	(1,666)	1,579	N/A	11,315	20,474	(45%)
Adjusted EBITDA	13,600	9,713	40%	46,354	44,790	3%

AMG Critical Materials Technologies' fourth quarter 2023 revenue increased by \$10 million, or 7%, compared to the same period in 2022. This improvement was driven by strong revenues in our engineering unit, as well as higher sales volumes of chrome metal and higher sales prices of titanium alloys, partially offset by lower chrome metal pricing. Revenue for the segment in 2023 increased 10% compared to prior year.

SG&A expenses increased by 10% in 2023 compared to 2022, due to additional personnel at AMG Engineering and AMG LIVA corresponding to the increased order backlog and business development, respectively.

AMG Critical Materials Technologies' adjusted EBITDA was \$14 million during the fourth quarter, 40% higher than in the same period of 2022. The increase was primarily due to higher profitability in Engineering and Titanium, partially offset by lower chrome margins driven by continued sequential decline in chrome price in the fourth quarter of 2023.

AMG Engineering signed \$27 million in new orders during the fourth quarter of 2023. On a full year basis, AMG signed a record high of \$350 million in new orders during 2023, 24% higher than in 2022, representing a 1.27x book to bill ratio. The 2023 order intake was driven by strong orders of remelting and heat treatment furnaces. Order backlog was \$295 million as of December 31, 2023.

Financial Review

Tax

AMG recorded an income tax expense of \$95 million in 2023, compared to \$84 million in 2022. This variance was due to negative movements in the Brazilian real in 2023 as compared to 2022 as well as non-cash deferred tax expenses related to the derecognition of certain tax assets. These tax assets were associated with interest expense carryforwards in our US business as well as loss carryforwards in our German business. These deferred tax expenses were partially offset by the lower profitability in the current quarter relative to the same period in the prior year.

AMG paid taxes of \$103 million in 2023, compared to tax payments of \$42 million in 2022. The higher cash payments in 2023 were largely a result of the timing lag related to Brazil's strong performance in late 2022 through the second quarter of 2023.

Exceptional Items

AMG's fourth quarter and full year 2023 gross profit includes exceptional items, which are not included in the calculation of adjusted EBITDA.

A summary of exceptional items included in gross profit in 2023 and 2022 are below:

Exceptional items included in gross profit

	Q4 '23	Q4 '22	Change	FY '23	FY '22	Change
Gross profit	\$55,252	\$119,981	(54%)	\$389,431	\$409,486	(5%)
Inventory cost adjustment	15,260	1,589	860%	26,731	1,589	1,582%
Restructuring expense	6,115	389	1,472%	9,223	582	1,485%
Asset impairment expense (reversal)	9,585	(990)	N/A	8,818	10,597	(17%)
Silicon's partial closure	(1,854)	—	N/A	(4,502)	—	N/A
Strategic project expense	107	1,201	(91%)	511	5,540	(91%)
Gross profit excluding exceptional items	84,465	122,170	(31%)	430,212	427,794	1%

AMG had \$15 million non-cash expense during the fourth quarter of 2023 mainly driven by Lithium GmbH's inventory cost adjustment of purchased lithium hydroxide which has been excluded in the calculation of adjusted EBITDA.

In mid 2023, AMG initiated a restructuring program to improve efficiencies and reduce headcount. The largest restructuring expenses are in AMG Titanium with \$4 million, and in AMG Graphite with a restructuring expense of \$1 million in the fourth quarter of 2023.

As a result of the restructuring program, certain non-core assets were also impacted. Asset impairments were recorded due to the retirement of these assets in the fourth quarter of 2023 at AMG Titanium and AMG Graphite of \$3 million and \$7 million, respectively.

SG&A

AMG's fourth quarter 2023 SG&A expenses were \$46 million compared to \$37 million in the fourth quarter of 2022, with the increase largely due to higher personnel costs driven by increased hiring in our Lithium, Engineering, and LIVA businesses.

Full year 2023 SG&A expenses were \$178 million, 20% higher than in 2022, due to increased professional fees associated with strategic projects during 2023 as well as higher personnel costs attributable to increased hiring in our Lithium, Engineering, and LIVA businesses.

Liquidity

	December 31, 2023	December 31, 2022	Change
Senior secured debt	\$337,402	\$348,622	(3%)
Cash & cash equivalents	345,308	346,043	—%
Senior secured net (cash) debt	(7,906)	2,579	N/A
Other debt	13,105	14,959	(12%)
Net debt excluding municipal bond	5,199	17,538	(70%)
Municipal bond debt	319,002	319,244	—%
Restricted cash	1,451	6,920	(79%)
Net debt	322,750	329,862	(2%)

AMG continued to maintain a strong balance sheet and adequate sources of liquidity during the fourth quarter. As of December 31, 2023, the Company had \$345 million in unrestricted cash and cash equivalents and \$195 million available on its revolving credit facility. As such, AMG had \$540 million of total liquidity as of December 31, 2023.

Net Finance Costs

AMG's fourth quarter 2023 net finance income was \$2 million compared to \$4 million of income in the fourth quarter of 2022. This decrease was mainly driven by lower capitalization of interest expense now that the Zanesville plant is fully operational.

Final Dividend Proposal

AMG intends to declare a dividend of €0.60 per ordinary share over the financial year 2023. The interim dividend of €0.40, paid on August 9, 2023, will be deducted from the amount to be distributed to shareholders. The proposed final dividend per ordinary share therefore amounts to €0.20.

A proposal to resolve upon the final dividend distribution will be included on the agenda for the Annual General Meeting to be held on May 8, 2024.

Outlook

Our ongoing cost reduction and efficiency programs will reduce our headcount by approximately 200 which will essentially be offset by the ramp-up of our expansions in Germany and Brazil, as well as the growth in our LIVA and Engineering businesses.

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

AMG has no expected financing needs in 2024. AMG refinanced its \$350 million term loan and \$200 million revolver in November 2021, extending revolver and term loan maturities to 2026 and 2028, respectively. AMG has no significant near-term debt maturities. And although we look to consistently optimize our financial structure, our current liquidity of \$540 million can fully fund all of the approved capital expansion projects and all other financial obligations.

AMG's two main lithium expansion projects are heading towards completion: our lithium concentrate expansion project from 90,000 tons to 130,000 tons in Brazil and module 1 of our lithium hydroxide refinery in Germany. We are reviewing our resource development projects and all other expansion activities in light of the present market conditions.

Regarding 2024 outlook, from the lithium concentrate and lithium carbonate market price highs in November 2022 of \$6,110 per ton and \$84,062 per ton, respectively, prices have each declined by 84%.

On November 8, 2023, we indicated an adjusted EBITDA for 2024 of approximately \$200 million excluding any profitability from our Bitterfeld lithium hydroxide refinery and utilizing contemporary pricing. Since then, market prices for spodumene and lithium carbonate have declined 50% and 39%, respectively. Utilizing today's price levels, lithium profitability will be \$60 million lower and vanadium profitability will be \$10 million lower, therefore AMG's 2024 adjusted EBITDA will be approximately \$130 million.

Our analysis of the long-term supply and demand trends in lithium gives us confidence that the present low prices are unsustainable.

Segmental Realignment

The Company has changed its organizational structure effective January 1, 2024, and will therefore report financials for the new segments starting in the first quarter of 2024. This change results in three reporting segments: AMG Lithium, AMG Vanadium, and AMG Technologies. Each of these segments have very specific trends and business models, and require very different management skill sets.

AMG's 2023 pro forma segmental information for AMG Lithium, AMG Vanadium, and AMG Technologies is shown below:

AMG Lithium

	Q1 '23	Q2 '23	Q3 '23	Q4 '23	FY '23
Revenue	\$130,668	\$133,473	\$62,346	\$82,085	\$408,572
Gross profit	92,013	90,006	26,769	20,569	229,357
Operating profit	83,589	79,904	16,390	7,900	187,783
Adjusted EBITDA	89,799	86,345	29,638	30,758	236,540

AMG Vanadium

	Q1 '23	Q2 '23	Q3 '23	Q4 '23	FY '23
Revenue	\$194,280	\$180,870	\$174,436	\$161,652	\$711,238
Gross profit	26,424	17,227	17,182	16,237	77,070
Operating profit (loss)	13,103	(3,217)	3,539	13,524	26,949
Adjusted EBITDA	20,331	15,693	15,067	29,520	80,611

AMG Technologies

	Q1 '23	Q2 '23	Q3 '23	Q4 '23	FY '23
Revenue	\$125,642	\$124,976	\$131,935	\$123,498	\$506,051
Gross profit	21,405	20,301	22,852	18,446	83,004
Operating profit (loss)	3,331	1,480	4,130	(1,921)	7,020
Adjusted EBITDA	7,981	5,415	9,080	10,864	33,340

Profit for the period to adjusted EBITDA reconciliation

	Q4 '23	Q4 '22	FY '23	FY '22
Profit for the period	\$1,266	\$62,669	\$102,288	\$190,771
Income tax expense	19,958	23,827	95,002	84,097
Net finance (income) cost	(2,455)	(4,177)	20,739	30,941
Equity-settled share-based payment transactions	1,443	1,414	5,799	5,552
Restructuring expense	6,115	389	9,223	582
Pension adjustment	(1,410)	—	5,290	—
Net contract settlements	—	971	—	(45,436)
Silicon's partial closure	(966)	—	(1,520)	—
Inventory cost adjustment	15,260	1,589	26,731	1,589
Asset impairment expense (reversal)	9,585	(990)	8,818	10,597
Strategic project expense ⁽¹⁾	6,777	5,885	19,179	17,070
Share of loss of associates	734	—	3,723	1,250
Others	399	142	583	238
EBIT	56,706	91,719	295,855	297,251
Depreciation and amortization	14,436	12,342	54,636	45,299
Adjusted EBITDA	71,142	104,061	350,491	342,550

Notes:

- (1) 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 quarter but are not yet operational. AMG is adjusting EBITDA for these exceptional charges.

AMG Critical Materials N.V.
Consolidated Income Statement

For the quarter ended December 31

In thousands of US dollars

	2023	2022
	Unaudited	Unaudited
Continuing operations		
Revenue	367,235	390,004
Cost of sales	(311,983)	(270,023)
Gross profit	55,252	119,981
Selling, general and administrative expenses	(45,582)	(36,579)
Other expenses	(313)	(1,083)
Other income	10,146	—
Net other operating income (expense)	9,833	(1,083)
Operating profit	19,503	82,319
Finance income	15,222	5,459
Finance cost	(12,767)	(1,282)
Net finance income	2,455	4,177
Share of loss of associates and joint ventures	(734)	—
Profit before income tax	21,224	86,496
Income tax expense	(19,958)	(23,827)
Profit for the period	1,266	62,669
Profit attributable to:		
Shareholders of the Company	2,173	60,697
Non-controlling interests	(907)	1,972
Profit for the period	1,266	62,669
Basic earnings per share		
Basic earnings per share	0.07	1.90
Diluted earnings per share	0.07	1.85

AMG Critical Materials N.V.
Consolidated Income Statement

For the year ended December 31

In thousands of US dollars

	2023 Unaudited	2022
Continuing operations		
Revenue	1,625,861	1,642,774
Cost of sales	(1,236,430)	(1,233,288)
Gross profit	389,431	409,486
Selling, general and administrative expenses	(178,162)	(147,963)
Other expenses	(313)	(14,544)
Other income	10,796	60,080
Net other operating income	10,483	45,536
Operating profit	221,752	307,059
Finance income	28,989	9,061
Finance cost	(49,728)	(40,002)
Net finance cost	(20,739)	(30,941)
Share of loss of associates and joint ventures	(3,723)	(1,250)
Profit before income tax	197,290	274,868
Income tax expense	(95,002)	(84,097)
Profit for the period	102,288	190,771
Profit attributable to:		
Shareholders of the Company	101,320	187,589
Non-controlling interests	968	3,182
Profit for the period	102,288	190,771
Earnings per share		
Basic earnings per share	3.15	5.87
Diluted earnings per share	3.12	5.73

AMG Critical Materials N.V.
Consolidated Statement of Financial Position

<i>In thousands of US dollars</i>	December 31, 2023 Unaudited	December 31, 2022
Assets		
Property, plant and equipment	921,178	797,611
Goodwill and other intangible assets	40,313	41,404
Derivative financial instruments	22,847	33,042
Equity-accounted investees	18,266	—
Other investments	38,160	29,324
Deferred tax assets	26,882	37,181
Restricted cash	387	5,875
Other assets	12,060	8,612
Total non-current assets	1,080,093	953,049
Inventories	260,945	277,311
Derivative financial instruments	3,397	3,516
Trade and other receivables	164,027	162,548
Other assets	100,128	121,834
Current tax assets	7,845	7,289
Restricted cash	1,064	1,045
Cash and cash equivalents	345,308	346,043
Total current assets	882,714	919,586
Total assets	1,962,807	1,872,635

AMG Critical Materials N.V.
Consolidated Statement of Financial Position
(continued)

In thousands of US dollars

December 31, 2023 December 31, 2022
Unaudited

Equity

Issued capital	853	853
Share premium	553,715	553,715
Treasury shares	(10,593)	(14,685)
Other reserves	(52,269)	(44,869)
Retained earnings (deficit)	70,077	(4,461)
Equity attributable to shareholders of the Company	561,783	490,553

Non-controlling interests	44,220	27,296
Total equity	606,003	517,849

Liabilities

Loans and borrowings	656,265	661,270
Lease liabilities	46,629	44,224
Employee benefits	133,333	117,160
Provisions	17,951	12,361
Deferred revenue	17,836	20,000
Other liabilities	4,784	15,009
Derivative financial instruments	27	284
Deferred tax liabilities	6,664	27,269
Total non-current liabilities	883,489	897,577

Loans and borrowings	5,566	15,164
Lease liabilities	5,725	4,710
Short-term bank debt	7,678	6,391
Deferred revenue	14,083	28,277
Other liabilities	77,052	69,917
Trade and other payables	259,339	240,101
Derivative financial instruments	2,828	7,746
Advance payments from customers	60,561	51,054
Current tax liability	24,279	23,548
Provisions	16,204	10,301

Total current liabilities	473,315	457,209
Total liabilities	1,356,804	1,354,786
Total equity and liabilities	1,962,807	1,872,635

AMG Critical Materials N.V.
Consolidated Statement of Cash Flows

For the year ended December 31

In thousands of US dollars

	2023	2022
	Unaudited	
Cash from operating activities		
Profit for the period	102,288	190,771
Adjustments to reconcile net profit to net cash flows:		
Non-cash:		
Income tax expense	95,002	84,097
Depreciation and amortization	54,636	45,299
Asset impairment expense	8,818	10,597
Net finance cost	20,739	30,941
Share of loss of associates and joint ventures	3,723	1,250
Loss (gain) on sale or disposal of property, plant and equipment	145	(592)
Equity-settled share-based payment transactions	5,799	5,552
Movement in provisions, pensions, and government grants	(2,137)	(11,982)
Working capital and deferred revenue adjustments	58,187	(123,281)
Cash generated from operating activities	347,200	232,652
Finance costs paid, net	(21,028)	(23,289)
Income tax paid	(103,172)	(41,796)
Net cash from operating activities	223,000	167,567
Cash used in investing activities		
Proceeds from sale of property, plant and equipment	39	2,538
Acquisition of property, plant and equipment and intangibles	(153,377)	(174,516)
Investments in associates and joint ventures	(21,989)	(1,250)
Use of restricted cash	5,469	86,514
Interest received on restricted cash	30	250
Capitalized borrowing cost paid	(15,519)	(16,652)
Other	3	12
Net cash used in investing activities	(185,344)	(103,104)

AMG Critical Materials N.V.
 Consolidated Statement of Cash Flows
 (continued)

For the year ended December 31

In thousands of US dollars

	2023	2022
	Unaudited	
Cash used in financing activities		
Proceeds from issuance of debt	1,395	82
Repayment of borrowings	(15,995)	(33,863)
Net repurchase of common shares	(6,960)	(1,523)
Dividends paid	(28,212)	(19,885)
Payment of lease liabilities	(5,764)	(5,101)
Advanced contributions	—	11,000
Contributions by non-controlling interests	14,000	—
Net cash used in financing activities	(41,536)	(49,290)
Net (decrease) increase in cash and cash equivalents	(3,880)	15,173
Cash and cash equivalents at January 1	346,043	337,877
Effect of exchange rate fluctuations on cash held	3,145	(7,007)
Cash and cash equivalents at December 31	345,308	346,043

This press release contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

This press release contains regulated information as defined in the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

About AMG

AMG's mission is to provide critical materials and related process technologies to advance a less carbon-intensive world. To this end, AMG is focused on the production and development of energy storage materials such as lithium, vanadium, and tantalum. In addition, AMG's products include highly engineered systems to reduce CO₂ in aerospace engines, as well as critical materials addressing CO₂ reduction in a variety of other end use markets.

AMG's Lithium segment spans the lithium value chain, reducing the CO₂ footprint of both suppliers and customers. AMG's Vanadium segment is the world's market leader in recycling vanadium from oil refining residues, spanning the Company's vanadium, titanium, and chrome businesses. AMG's Technologies segment is the established world market leader in advanced metallurgy and provides equipment engineering to the aerospace engine sector globally. It serves as the engineering home for the Company's fast-growing LIVA batteries, and spans AMG's mineral processing operations in graphite, antimony, and silicon metal.

With approximately 3,600 employees, AMG operates globally with production facilities in Germany, the United Kingdom, France, the United States, China, Mexico, Brazil, India, Sri Lanka, and Mozambique, and has sales and customer service offices in Japan (www.amg-nv.com).

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Disclaimer

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