



AMG Advanced Metallurgical Group N.V.

Strawinskylaan 1343

1077 XX Amsterdam, the Netherlands

Telephone: +31 20 7147140

Reporting of Payments to Governments in 2020

FOREWORD

This report is based on Book 2 Title 9 of the Dutch Civil Code, last amended in 2015 with proposal (*Kamerstuk*) 34 176 to implement Directive 2013/34/EU on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings (OJEU 2013, L 182), as further implemented through the Decree of 10 November 2015 on Reporting of Payments to Governments (*Besluit rapportage van betalingen aan overheden*, hereafter the "Decree").

AMG Advanced Metallurgical Group N.V. is a Netherlands based public company organized under Dutch law and registered under nr. 34261128 at the Dutch Trade Register ("AMG NV")

REPORTING OBLIGATION

As an issuing company with seat in the Netherlands that is required pursuant to Article 406 of Book 2 of the Dutch Civil Code and Article 5:25c(3) of the Dutch Financial Supervision Act to issue consolidated financial statements, AMG NV is required pursuant to Article 5 of the Decree to issue a consolidated group report on government payments by its group companies (together with AMG NV the "AMG Group"), even though AMG NV is not itself active in the mineral extractive industry. Pursuant to the abovementioned provisions, this payment report includes all companies categorized as subsidiaries according to the principles of the AMG NV Group Consolidated Financial Statements that were active in the mineral extractive industry during the reporting year, regardless of their materiality for the Consolidated Financial statements and notwithstanding the scope of these activities.

SCOPE

The reporting covers activities in the minerals extractive industry: activities concerning exploration, prospecting, discovery, development and extraction of minerals and other substances, within the economic activities listed in Section B, Divisions 05 to 08, of Annex I to Regulation (EC) No 1893/2006, as defined in Article 1(b) of the Decree, implementing Article 41(1) of Directive 2013/34/EU.

During the reporting year, the activities of the AMG Group companies in the mineral extractive industry comprised the extraction and production of spodumene and natural graphite in the countries Brazil, Sri Lanka and Mozambique. The payments made to the government in Mozambique in 2020 in connection with the extraction of natural graphite were below the materiality threshold of €100,000 set by Article 4(1) of the Decree and are therefore not presented in this report.

The AMG Group conducted no logging of primary forests during the reporting year.

DEFINITIONS

Payment

An amount paid in cash or in kind of the following types:

1. production entitlements;
2. taxes on the income, production or profits of legal persons, with the exception of consumption taxes such as value added taxes, income taxes or turnover taxes
3. royalties
4. dividends;
5. signing, tracing and production bonuses
6. licence fees, rents, entry fees and other fees for licenses or concessions; and
7. payments for infrastructure improvements;

Government

Any national, regional or local authority of a Member State or a third country.

Public authorities shall include departments, agencies or undertakings over which that authority exercises the dominant influence within the meaning of Article 406 of Book 2 of the Civil Code;

CONTENT OF REPORT

1. The following information shall be included in the report for the financial year in question:
 - a. the total amount of payments made to each government;
 - b. the total amount per type of payment listed in the Definitions made to each administration;
 - c. in the event that such payments are allocated to a particular project, the total amount per type of payment as listed under the Definitions made in respect of each such project.

Payments for infrastructural improvements include payments to Provinces, Water Boards and Seaports.

2. A payment, either individually or in a series of related payments, need not be disclosed in the report if such payment is less than €100,000 in a financial year.
3. Legal entities may report payments made to meet payment obligations at entity level instead of at project level.
4. Payments in kind, if any, made to a government shall be reported in value and, where appropriate, volume terms. An explanation shall be provided of how the value has been determined.
5. The reporting of payments under this Article shall be based primarily on the substance, and only then the form, of the payment or activity in question. Payments and activities shall not be artificially split or merged in order to circumvent the application of this Decision.

I. Payment report for the period from January 1, 2020, to December 31, 2020

a) Payment overview by country

Country	Payment type (amounts in USD)							Total
	Production entitlements	Taxes	Royalties	Dividends	Signature, discovery and production bonuses	License fees, rental fees, entry fees	Payments for infrastructure improvements	
Brazil	16,082	525,713	446,656	-	-	10,892	-	999,343

Country	Payment type (amounts in euros)							Total
	Production entitlements	Taxes	Royalties	Dividends	Signature, discovery and production bonuses	License fees, rental fees, entry fees	Payments for infrastructure improvements	
Sri Lanka	-	11,761	163,879	-	-	-	-	175,640

b) Payment overview by country and government

Brazil	Payment type (amounts in USD)							Total
Government authority	Production entitlements	Taxes	Royalties	Dividends	Signature, discovery and production bonuses	License fees, rental fees, entry fees	Payments for infrastructure improvements	
- Corpo de Bombeiros MG - Prefeituras	16.082	-	-	-	-	-	-	16.082
- Receita Federal do Brasil - Secretaria de Estado de Fazenda de MG	-	525.713	-	-	-	-	-	525.713
- ANM-Agência Nacional de Mineração	-	-	446.656	-	-	-	-	446.656
- IBAMA - Instituto Mineiro de Gestao das Aguas - Secretaria de Estado e Meio Ambiente - Exército Brasileiro - Policia Civil - Policia Civil MG - Policia Federal	-	-	-	-	-	10.892	-	10.892
Total	16.082	525.713	446.656	-	-	10.892	-	999.343

Sri Lanka	Payment type (amounts in EUR)							Total
Government authority	Production entitlements	Taxes	Royalties	Dividends	Signature, discovery and production bonuses	License fees, rental fees, entry fees	Payments for infrastructure improvements	
- Geological Survey Mines Bureau	-	-	163,879	-	-	-	-	163,879
Provincial Revenue Commissioner's Sabaragamuwa Province	-	11,761	-	-	-	-	-	11,761
Total	-	11,761	163,257	-	-	-	-	175,640