



AMG REPORTS STABLE RESULTS IN WEAK MARKETS

Amsterdam, 6 November 2024 (Regulated Information) --- AMG Critical Materials N.V. (“AMG”, Euronext Amsterdam: “AMG”) reports third quarter 2024 revenue of \$356 million, a 3% decrease versus the third quarter of 2023. AMG achieved an adjusted EBITDA of \$40 million, supported by an exceptionally strong performance by the AMG Technologies segment showing an increase of 112% compared to the same period in 2023.

Dr. Heinz Schimmelbusch, Chairman of the Management Board and CEO, said, “EBITDA continued on a steady growth trend in the third quarter of 2024, during which we achieved \$40 million of EBITDA. AMG Technologies delivered a strong performance compared to the third quarter last year with excellent results in a growing market. AMG Engineering secured \$131 million in order intake and had a record high order backlog as of September 30, 2024 of \$367 million. This result continues to demonstrate the earnings power of our diversified portfolio despite the challenging market conditions and depressed price levels in both AMG Lithium and AMG Vanadium.

In terms of our growth projects, our major lithium capital expenditures are substantially complete. Our Brazilian mine expansion is ramping up and on September 18, 2024, AMG hosted the grand opening of Europe’s first lithium hydroxide refinery in Bitterfeld, Germany. The refinery has finalized construction and has transitioned to commissioning, ramp-up and customer qualification. Both projects strengthen our low-cost position in the lithium market. AMG is approaching the end of a period of significant capital intensity that positions us for strong profitability as market prices improve.

I am also pleased to report that we have significant liquidity. With \$272 million in cash on hand and \$200 million available under our revolving credit facility, AMG has a total liquidity of \$472 million.”

Lithium

- Our lithium concentrate plant expansion from 90,000 tons to 130,000 tons per year is ramping up and we expect to produce at full 130,000-ton annualized capacity by the end of the fourth quarter of 2024.
- On September 18, 2024 in Bitterfeld, Germany, AMG hosted the grand opening of Europe's first lithium hydroxide refinery.

Vanadium

- Construction of the vanadium electrolyte plant at AMG Titanium in Nuremberg, Germany is complete, and we are producing qualification batches for our customers.
- SARBV's "Supercenter" phase 1 project in Saudi Arabia is beginning detailed engineering and permitting. Several licenses and permits have already been obtained, including the Industrial Investment License from the Ministry of Industrial and Mineral Resources.

Technologies

- AMG Engineering achieved \$367 million in order backlog as of September 30, 2024, the highest in AMG's history. Order intake of \$131 million during the third quarter of 2024 was 63% higher than the same period in 2023, driven largely by strong orders of remelting furnaces.
- AMG LIVA's first third-party commercial Hybrid Energy Storage System, integrating Lithium-Ion and Vanadium Redox Flow batteries with AI-driven efficiency, is now operational at Wipotec GmbH, enhancing the facility's power system.

Financial Highlights

- AMG's liquidity as of September 30, 2024 was \$472 million, with \$272 million of unrestricted cash and \$200 million of revolving credit availability.
- EBITDA continued on a steady growth trend in the third quarter of 2024, during which AMG achieved \$40 million of EBITDA despite significant declines in lithium and vanadium prices.

Key Figures

In 000's US dollars

	Q3 '24	Q3 '23	Change
Revenue	\$356,003	\$368,717	(3%)
Gross profit	46,098	66,803	(31%)
Gross margin	12.9%	18.1%	
Operating (loss) profit	(1,252)	24,059	N/A
Operating margin	(0.4%)	6.5%	
Net (loss) income attributable to shareholders	(13,353)	163	N/A
EPS - Fully diluted	(0.41)	0.00	N/A
EBIT ⁽¹⁾	25,408	40,225	(37%)
Adjusted EBITDA ⁽²⁾	40,266	53,785	(25%)
Adjusted EBITDA margin	11.3%	14.6%	
Cash (used in) from operating activities	(1,822)	24,926	N/A

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, equity-settled share-based payments, strategic expenses, and other exceptional items.
- (2) Adjusted EBITDA is defined as EBIT adjusted for depreciation and amortization.

Operational Review

AMG Lithium

	Q3 '24	Q3 '23	Change
Revenue	\$48,600	\$62,346	(22%)
Gross (loss) profit	(781)	26,769	N/A
Operating (loss) profit	(12,647)	16,390	N/A
Adjusted EBITDA	10,249	29,638	(65%)

AMG Lithium's revenue decreased 22% compared to the third quarter of 2023. This variance was largely driven by the 67% decline in lithium market prices versus the third quarter of 2023, offset by a 42% increase in volume.

SG&A expenses of \$12 million in the third quarter of 2024 were 16% higher than in the same period last year, mainly driven by the increase in headcount related to the German lithium expansion project and higher professional fees.

The third quarter 2024 adjusted EBITDA decreased 65%, to \$10 million, from \$30 million in the third quarter of 2023, due to the decline in lithium prices as noted above.

During the third quarter of 2024, a total of 22,731 dry metric tons (“dmt”) of lithium concentrates were sold, 42% higher than the 16,012 dmt in the third quarter of 2023. The average realized sales price was \$870/dmt CIF China for the quarter. The average cost per ton for the quarter was \$450/dmt CIF China, driven by higher lithium concentrate production, lower costs from the weakening Brazilian Real, and ongoing high tantalum sales volumes which lower the cost of production.

Our lithium concentrate plant is currently ramping to 130,000 tons and shipping volumes were therefore impacted in the third quarter of 2024. We expect to reach design capacity production in the fourth quarter of 2024. AMG is one of the lowest-cost lithium concentrate mines in the world, and we plan to maintain this competitive advantage.

AMG Vanadium

	Q3 '24	Q3 '23	Change
Revenue	\$150,972	\$174,436	(13%)
Gross profit	11,282	17,182	(34%)
Operating (loss) profit	(2,573)	3,539	N/A
Adjusted EBITDA	10,762	15,067	(29%)

AMG Vanadium’s revenue for the third quarter of 2024 decreased by 13%, to \$151 million, due primarily to lower sales prices across the segment and lower volumes of ferrovandium, partially offset by increased volumes in chrome metal.

Gross profit of \$11 million in the third quarter of 2024 was 34% lower compared to the same period in 2023, largely due to the decline in revenues noted above.

SG&A expenses in the third quarter of 2024 of \$14 million were materially in line with the comparable prior period.

The third quarter of 2024 adjusted EBITDA of \$11 million was 29% below the same period in 2023. This was primarily driven by the 21% decrease in market prices for ferrovandium compared to the third quarter of 2023.

AMG Technologies

	Q3 '24	Q3 '23	Change
Revenue	\$156,431	\$131,935	19%
Gross profit	35,597	22,852	56%
Operating profit	13,968	4,130	238%
Adjusted EBITDA	19,255	9,080	112%

AMG Technologies' third quarter 2024 revenue increased by \$24 million, or 19%, compared to the same period in 2023. This improvement was driven by higher sales volumes of antimony and silicon, and higher sales prices of antimony.

SG&A expenses increased by 13% in the third quarter of 2024 compared to the same period in 2023, due to additional personnel at AMG LIVA and AMG Engineering corresponding to the increased business development, as well as increased professional fees and research and development costs.

AMG Technologies' adjusted EBITDA was \$19 million during the third quarter, more than double the same period in 2023. The increase was primarily due to higher profitability in antimony and graphite.

AMG Engineering signed \$131 million in new orders during the third quarter of 2024, representing a 1.82x book to bill ratio. The third quarter 2024 order intake was driven by exceptionally strong orders of remelting furnaces. Order backlog was the highest in AMG's history at \$367 million as of September 30, 2024.

AMG Silicon has been operating two of its four furnaces since March 2024, and we plan to run two 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 profitability of the business is immaterial and excluded from adjusted EBITDA during this period of abnormal operations.

Financial Review

Tax

AMG recorded an income tax expense of \$2 million in the third quarter of 2024. This expense was mainly due to \$7 million of deferred tax expenses in our German businesses related to losses that do not qualify for recognition as deferred tax assets. This expense is offset by the \$3 million tax benefit related to the statutory tax rates applied to AMG's negative profit before tax. In addition, there was a \$2 million deferred tax benefit related to a favorable foreign exchange impact on our Brazilian tax positions.

AMG paid taxes of \$5 million in the third quarter of 2024, compared to tax payments of \$33 million in the third quarter of 2023. The reduced cash payments in the current period were largely a result of the decrease in profitability year-over-year.

Exceptional Items

AMG's third quarter 2024 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 the third quarters of 2024 and 2023 are below:

Exceptional items included in gross profit

	Q3 '24	Q3 '23	Change
Gross profit	\$46,098	\$66,803	(31%)
Inventory cost adjustment	18,258	7,283	151%
Restructuring expense	102	2,745	(96%)
Silicon's partial closure	(1,224)	(1,483)	17%
Strategic project expense	441	512	(14%)
Gross profit excluding exceptional items	63,675	75,860	(16%)

AMG had \$18 million non-cash expense during the third quarter of 2024 mainly driven by AMG Lithium due to the decline in lithium prices, which has been excluded from the calculation of adjusted EBITDA.

SG&A

AMG's third quarter 2024 SG&A expenses were \$47 million compared to \$43 million in the third quarter of 2023. The increase was largely driven by the increase in headcount in our Lithium, Engineering, and LIVA businesses associated with our strategic expansion projects and higher professional fees relating to additional regulatory requirements.

Liquidity

	September 30, 2024	December 31, 2023	Change
Senior secured debt	\$432,562	\$337,402	28%
Cash & cash equivalents	271,599	345,308	(21%)
Senior secured net debt (cash)	160,963	(7,906)	N/A
Other debt	11,807	13,105	(10%)
Net debt excluding municipal bond	172,770	5,199	N/A
Municipal bond debt	318,812	319,002	—%
Restricted cash	1,439	1,451	(1%)
Net debt	490,143	322,750	52%

AMG continued to maintain a strong balance sheet and adequate sources of liquidity during the third quarter. As of September 30, 2024, the Company had \$272 million in unrestricted cash and cash equivalents and \$200 million available on its revolving credit facility. As such, AMG had \$472 million of total liquidity as of September 30, 2024.

Net Finance Costs

AMG's third quarter 2024 net finance cost was \$8 million compared to \$9 million in the third quarter of 2023. This is due to higher non-cash intercompany foreign exchange gains compared to the same period in 2023, partially offset by increased interest costs associated with the new \$100 million incremental term loan issued in April 2024.

Outlook

Due to the strong operating results to date including exceptional results from our Antimony operation, we are increasing our EBITDA guidance for 2024 from "exceed \$130 million EBITDA" to "exceed \$150 million EBITDA."

As the lithium prices have weakened further and AMG Antimony's contributions normalize, we expect AMG's adjusted EBITDA to exceed \$130 million in 2025. Due to the uncertainty related to the commissioning and ramp-up process as well as the impact of the write-downs in the value of our inventory to the current low market prices, we have excluded any expected contribution from our lithium hydroxide refinery in Bitterfeld, Germany from our 2025 guidance.

(Loss) profit for the period to adjusted EBITDA reconciliation

	Q3 '24	Q3 '23
(Loss) profit for the period	(\$11,708)	\$1,002
Income tax expense	1,676	12,565
Net finance cost	7,813	9,295
Equity-settled share-based payment transactions	1,524	1,392
Restructuring expense	102	2,745
Silicon's partial closure	(346)	(739)
Inventory cost adjustment	18,258	7,283
Strategic project expense ⁽¹⁾	7,127	5,301
Share of loss of associates	967	1,197
Others	(5)	184
EBIT	25,408	40,225
Depreciation and amortization	14,818	13,560
Adjusted EBITDA	40,226	53,785

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.
Condensed Interim Consolidated Income Statement

For the quarter ended September 30

In thousands of US dollars

	2024	2023
	Unaudited	Unaudited
Continuing operations		
Revenue	356,003	368,717
Cost of sales	(309,905)	(301,914)
Gross profit	46,098	66,803
Selling, general and administrative expenses	(47,446)	(42,800)
Other income, net	96	56
Net other operating income	96	56
Operating (loss) profit	(1,252)	24,059
Finance income	5,160	5,676
Finance cost	(12,973)	(14,971)
Net finance cost	(7,813)	(9,295)
Share of loss of associates and joint ventures	(967)	(1,197)
(Loss) profit before income tax	(10,032)	13,567
Income tax expense	(1,676)	(12,565)
(Loss) profit for the period	(11,708)	1,002
(Loss) profit attributable to:		
Shareholders of the Company	(13,353)	163
Non-controlling interests	1,645	839
(Loss) profit for the period	(11,708)	1,002
(Loss) earnings per share		
Basic (loss) earnings per share	(0.41)	0.01
Diluted (loss) earnings per share	(0.41)	0.00

AMG Critical Materials N.V.
Condensed Interim Consolidated Income Statement

For the nine months ended September 30

In thousands of US dollars

	2024	2023
	Unaudited	Unaudited
Continuing operations		
Revenue	1,078,473	1,258,626
Cost of sales	(929,717)	(924,447)
Gross profit	148,756	334,179
Selling, general and administrative expenses	(137,234)	(132,580)
Other income, net	236	650
Net other operating income	236	650
Operating profit	11,758	202,249
Finance income	15,127	14,843
Finance cost	(45,010)	(38,037)
Net finance cost	(29,883)	(23,194)
Share of loss of associates and joint ventures	(2,706)	(2,989)
(Loss) profit before income tax	(20,831)	176,066
Income tax expense	(15,504)	(75,044)
(Loss) profit for the period	(36,335)	101,022
(Loss) profit attributable to:		
Shareholders of the Company	(40,615)	99,147
Non-controlling interests	4,280	1,875
(Loss) Profit for the period	(36,335)	101,022
(Loss) earnings per share		
Basic (loss) earnings per share	(1.26)	3.08
Diluted (loss) earnings per share	(1.26)	3.04

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

<i>In thousands of US dollars</i>	September 30, 2024 Unaudited	December 31, 2023
Assets		
Property, plant and equipment	970,058	921,178
Goodwill and other intangible assets	53,735	40,313
Derivative financial instruments	11,940	22,847
Equity-accounted investees	38,173	18,266
Other investments	44,766	38,160
Deferred tax assets	33,579	26,882
Restricted cash	391	387
Other assets	14,580	12,060
Total non-current assets	1,167,222	1,080,093
Inventories	318,135	260,945
Derivative financial instruments	3,388	3,397
Trade and other receivables	199,801	164,027
Other assets	90,899	100,128
Current tax assets	6,774	7,845
Restricted cash	1,048	1,064
Cash and cash equivalents	271,599	345,308
Total current assets	891,644	882,714
Total assets	2,058,866	1,962,807

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

<i>In thousands of US dollars</i>	September 30, 2024 Unaudited	December 31, 2023
Equity		
Issued capital	853	853
Share premium	553,715	553,715
Treasury shares	(9,558)	(10,593)
Other reserves	(45,484)	(52,269)
Retained earnings	17,605	70,077
Equity attributable to shareholders of the Company	517,131	561,783
Non-controlling interests	48,265	44,220
Total equity	565,396	606,003
Liabilities		
Loans and borrowings	749,228	656,265
Lease liabilities	46,003	46,629
Employee benefits	130,072	133,333
Provisions	17,560	17,951
Deferred revenue	10,138	17,836
Other liabilities	6,325	4,784
Derivative financial instruments	—	27
Deferred tax liabilities	13,041	6,664
Total non-current liabilities	972,367	883,489
Loans and borrowings	5,696	5,566
Lease liabilities	5,675	5,725
Short-term bank debt	8,257	7,678
Deferred revenue	16,228	14,083
Other liabilities	89,134	77,052
Trade and other payables	243,997	259,339
Derivative financial instruments	2,582	2,828
Advance payments from customers	121,221	60,561
Current tax liability	20,572	24,279
Provisions	7,741	16,204
Total current liabilities	521,103	473,315
Total liabilities	1,493,470	1,356,804
Total equity and liabilities	2,058,866	1,962,807

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

For the nine months ended September 30

In thousands of US dollars

	2024	2023
	Unaudited	Unaudited
Cash (used in) from operating activities		
(Loss) profit for the period	(36,335)	101,022
Adjustments to reconcile net profit to net cash flows:		
Non-cash:		
Income tax expense	15,504	75,044
Depreciation and amortization	42,977	40,200
Asset impairment reversal	—	(767)
Net finance cost	29,883	23,194
Share of loss of associates and joint ventures	2,706	2,989
Loss on sale or disposal of property, plant and equipment	158	33
Equity-settled share-based payment transactions	4,563	4,356
Movement in provisions, pensions, and government grants	(8,776)	8,470
Working capital, deferred revenue adjustments, and other	(32,731)	31,609
Cash generated from operating activities	17,949	286,150
Finance costs paid, net	(27,291)	(19,163)
Income tax paid	(16,669)	(88,691)
Net cash (used in) from operating activities	(26,011)	178,296
Cash used in investing activities		
Proceeds from sale of property, plant and equipment	28	34
Acquisition of property, plant and equipment and intangibles	(85,448)	(109,540)
Investments in associates and joint ventures	(22,613)	(19,939)
Use of restricted cash	12	5,492
Interest received on restricted cash	—	30
Capitalized borrowing cost paid	(11,584)	(11,583)
Other	(20)	4
Net cash used in investing activities	(119,625)	(135,502)

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

For the nine months ended September 30

In thousands of US dollars

	2024	2023
	Unaudited	Unaudited
Cash from (used in) financing activities		
Proceeds from issuance of debt	100,000	57
Payment of transaction costs related to debt	(2,483)	—
Repayment of loans and borrowings	(4,381)	(14,355)
Net repurchase of common shares	(688)	(6,960)
Dividends paid	(15,072)	(28,212)
Payment of lease liabilities	(4,835)	(4,098)
Contributions by non-controlling interests	—	14,000
Net cash from (used in) financing activities	72,541	(39,568)
Net (decrease) increase in cash and cash equivalents	(73,095)	3,226
Cash and cash equivalents at January 1	345,308	346,043
Effect of exchange rate fluctuations on cash held	(614)	(1,976)
Cash and cash equivalents at September 30	271,599	347,293

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, and Sri Lanka, and has sales and customer service offices in Japan (www.amg-nv.com).

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Disclaimer

Certain statements in this press release are not historical facts and are "forward looking." Forward looking statements include statements concerning AMG's plans, expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans and intentions relating to acquisitions, AMG's competitive strengths and weaknesses, plans or goals relating to forecasted production, reserves, financial position and future operations and development, AMG's business strategy and the trends AMG anticipates in the industries and the political and legal environment in which it operates and other information that is not historical information. When used in this press release, the words "expects," "believes," "anticipates," "plans," "may," "will," "should," and similar expressions, and the negatives thereof, are intended to identify forward looking statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. These forward-looking statements speak only as of the date of this press release. AMG expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in AMG's expectations with regard thereto or any change in events, conditions, or circumstances on which any forward-looking statement is based.