



AMG ADVANCED METALLURGICAL GROUP N.V. REPORTS FIRST QUARTER 2022 RESULTS

Coronavirus Update

- We continue to apply all safety measures at our disposal with the highest degree of attention to ensure our employees are working in the lowest risk environment possible. As a result, AMG has zero hospitalizations presently and has not experienced a facility closure or operational interruption.

Strategic Highlights

- The commissioning of AMG Vanadium's second spent catalyst recycling facility in Zanesville, Ohio is proceeding as planned. We continue our ramp up phase and the plant is forecast to achieve at run rate capacity in the fourth quarter of 2022.
- Shell & AMG Recycling B.V. (SARBV) continues to pursue circular refinery residue opportunities globally.
- AMG Brazil will increase its spodumene production by 40,000 tons, bringing its production capacity to 130,000 tons per annum. The project is proceeding as planned, construction will begin in the third quarter of 2022; and commissioning will commence in the second quarter of 2023.
- AMG Lithium has started construction and will celebrate a groundbreaking ceremony at the Bitterfeld-Wolfen Chemical Park on May 11, 2022, for the first European lithium refinery, and commissioning for the first module of the battery grade lithium hydroxide upgrader will commence in the third quarter of 2023.
- AMG's first lithium vanadium battery ("LIVA") for industrial power management applications is proceeding as planned and commissioning has begun at AMG Graphite located in Hauzenberg, Germany.

Financial Highlights

- Revenue increased by 53% to \$403.9 million in the first quarter of 2022 from \$264.0 million in the first quarter of 2021.
- EBITDA was \$54.8 million in the first quarter of 2022, 93% higher than the first quarter 2021 EBITDA of \$28.3 million, marking the seventh straight quarter of sequential improvement.
- Annualized return on capital employed was 19.8% for the first three months of 2022, more than double the 9.4% for the same period in 2021.

- AMG's liquidity as of March 31, 2022, was \$478 million, with \$308 million of unrestricted cash and \$170 million of revolving credit availability.
- The Company has maintained its final 2021 declared dividend of €0.30 to be paid on May 12, 2022 to shareholders of record on May 10, 2022.

Amsterdam, 4 May 2022 (Regulated Information) --- AMG Advanced Metallurgical Group N.V. ("AMG", Euronext Amsterdam: "AMG") reported first quarter 2022 revenue of \$403.9 million, a 53% increase over \$264.0 million in the first quarter of 2021. EBITDA for the first quarter of 2022 was \$54.8 million, a 93% increase over \$28.3 million in the first quarter of 2021. This also marks the seventh straight quarter of sequential growth after the pandemic low point in the second quarter of 2020.

Dr. Heinz Schimmelbusch, Chairman of the Management Board and CEO, said, "With regard to COVID, we continue to apply all safety measures at our disposal with the highest degree of attention to ensure our employees are working in the lowest risk environment possible. Nothing is more important to AMG than the safety, health, and well-being of our workers and their families. All injuries and occupational illnesses are preventable, and we firmly believe that there is no job worth doing in an unsafe manner. Safety is understood across business units as our number one priority.

"AMG continued to sequentially improve EBITDA in the first quarter for the seventh time as prices increased and demand remains robust throughout our portfolio. We expect this to continue throughout the year. Our Clean Energy Materials segment continues to deliver strong EBITDA, which more than tripled since the first quarter of 2021, its eighth straight quarter of sequentially increasing EBITDA. The global lithium market has experienced very strong price increases. Ferrovandium prices have recovered to a level above long-term averages. We have increased EBITDA guidance for 2022 twice since our initial guidance, and in the outlook section of this press release we do so again today.

"AMG's key strategic projects are all proceeding as planned. The commissioning of the ferrovandium plant in Zanesville, Ohio, which will essentially double our recycling capacity for refinery residues, is proceeding well and is expected to be producing at run rate capacity in the fourth quarter of 2022. Shell & AMG Recycling B.V. continues to pursue refinery residue opportunities globally to convert refinery waste streams into valuable products, including battery materials that will enable the acceleration of sustainable energy transition goals. AMG Brazil is expanding its lithium concentrate production by 40,000 tons, bringing its production capacity to 130,000 tons per annum. The groundbreaking for our new lithium hydroxide production facility in Germany will take place on May 11, 2022. AMG's first lithium vanadium battery ("LIVA") for industrial power management applications has begun commissioning."

Key Figures

In 000's US dollars

	Q1 '22	Q1 '21	Change
Revenue	\$403,863	\$263,986	53%
Gross profit	75,194	46,864	60%
Gross margin	18.6%	17.8%	
Operating profit	37,814	13,809	174%
Operating margin	9.4%	5.2%	
Net income attributable to shareholders	29,115	5,099	471%
EPS - Fully diluted	0.89	0.18	394%
EBIT ⁽¹⁾	44,233	17,376	155%
EBITDA ⁽²⁾	54,760	28,339	93%
EBITDA margin	13.6%	10.7%	
Cash (used in) from operating activities	(3,654)	19,939	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, and strategic expenses.
- (2) EBITDA is defined as EBIT adjusted for depreciation and amortization.

Operational Review

AMG Clean Energy Materials

	Q1 '22	Q1 '21	Change
Revenue	\$143,659	\$70,627	103%
Gross profit	39,004	13,203	195%
Gross profit before non-recurring items	41,269	13,383	208%
Operating profit	28,219	3,605	683%
EBITDA	37,227	10,286	262%

AMG Clean Energy Materials' revenue more than doubled compared to the first quarter of 2021, to \$143.7 million, driven mainly by higher prices in vanadium, tantalum and lithium concentrates and higher volumes of lithium concentrate.

Gross profit before non-recurring items for the quarter more than tripled compared to the same period in the prior year, primarily due to the increased price environment.

SG&A expenses in the first quarter of 2022 were \$10.8 million, \$1.2 million higher than the first quarter of 2021, due to an increase in professional fees as a result of higher strategic project costs and higher shared-based and variable compensation expense.

The first quarter 2022 EBITDA increased by \$26.9 million, to \$37.2 million from \$10.3 million in the first quarter of 2021, due to the improved gross profit as noted above.

AMG Critical Minerals

	Q1 '22	Q1 '21	Change
Revenue	\$106,909	\$72,916	47%
Gross profit	13,002	13,154	(1%)
Gross profit before non-recurring items	13,048	13,071	—%
Operating profit	5,647	6,560	(14%)
EBITDA	7,883	9,012	(13%)

AMG Critical Minerals' revenue increased by \$34.0 million, or 47%, to \$106.9 million, driven by strong sales volumes of antimony and graphite as well as higher sales prices across all three businesses.

Gross profit before non-recurring items of \$13.0 million in the first quarter was in line with the first quarter of 2021. The higher revenue was due to the improved pricing and higher sales volumes noted above was offset by increased raw material prices, as well as the ongoing rise in energy and shipping costs.

SG&A expenses in the first quarter of 2022 slightly increased by \$0.8 million, to \$7.4 million, primarily due to higher share-based and variable compensation expense in the current quarter.

The first quarter 2022 EBITDA was \$1.1 million lower than the same period in the prior year, due to increased SG&A costs.

AMG Critical Materials Technologies

	Q1 '22	Q1 '21	Change
Revenue	\$153,295	\$120,443	27%
Gross profit	23,188	20,507	13%
Gross profit before non-recurring items	23,283	20,569	13%
Operating profit	3,948	3,644	8%
EBITDA	9,650	9,041	7%

AMG Critical Materials Technologies' first quarter 2022 revenue increased by \$32.9 million, or 27%, compared to the same period in 2021. This increase was due to increased titanium alloys sales, as well as higher titanium alloy and chrome metal pricing, offset by timing delays in Engineering projects. First quarter 2022 gross profit before non-recurring items increased by \$2.7 million, or 13%, to \$23.3 million due to the higher volumes and prices.

SG&A expenses increased by \$2.4 million in the first quarter of 2022 compared to the same period in 2021, driven by an increase in professional fees and higher share-based and variable compensation expense in the current quarter.

AMG Critical Materials Technologies' EBITDA increased to \$9.7 million during the quarter, compared to \$9.0 million in the first quarter of 2021. This was primarily due to higher profitability in chrome metal and titanium alloys.

The Company signed \$61.1 million in new orders during the first quarter of 2022, driven by strong orders of remelting and heat treatment furnaces, representing a 1.09x book to bill ratio. Order backlog was \$183.5 million as of March 31, 2022, in line with \$188.2 million as of December 31, 2021.

Financial Review

Exceptional Items

AMG's first quarter 2022 gross profit includes exceptional items, which are not included in the calculation of EBITDA.

A summary of exceptional items included in gross profit in the first quarters of 2022 and 2021 are below:

Exceptional items included in gross profit

	Q1 '22	Q1 '21	Change
Gross profit	\$75,194	\$46,864	60%
Inventory cost adjustment	—	(333)	N/A
Restructuring expense	141	67	110%
Asset impairment reversal	—	(136)	N/A
Strategic project expense	2,265	561	304%
Gross profit excluding exceptional items	77,600	47,023	65%

Energy Costs

AMG experienced significant increases in gas and electricity costs in the first quarter of 2022. Total energy costs were \$11.9 million higher in the first quarter of 2022 versus the same period in 2021. The majority of this increase was at our silicon business in Germany, but that business benefited from fully hedged power costs and increased silicon prices. Other business units benefited from long-term electricity contracts that have no price escalation clauses, and the business units that did experience energy cost increases were able to pass through most of these increased costs to their customers.

SG&A

AMG's first quarter 2022 SG&A expenses were \$37.5 million compared to \$33.1 million in the first quarter of 2021, with the variance driven largely by an increase in professional fees due to higher strategic project costs and higher shared-based and variable compensation expense. The first quarter of 2021 personnel cost was reduced by cost reduction efforts in response to the onset of the pandemic.

Net Finance Costs

AMG's first quarter 2022 net finance costs were \$8.9 million compared to \$8.7 million in the first quarter of 2021. This slight increase was mainly driven by higher borrowing rates during the quarter, which were partially offset by lower foreign exchange losses versus the prior period.

Tax

AMG recorded an income tax benefit of \$1.5 million in the first quarter of 2022, compared to \$0.9 million in the same period in 2021. This variance was mainly driven by higher pre-tax income compared to the prior period more than offset by movements in the Brazilian real versus the US dollar. The effects of the Brazilian real caused a \$14.7 million non-cash deferred tax benefit in the first quarter 2022. Movements in the Brazilian real exchange rate impact the valuation of the Company's net deferred tax positions related to our operations in Brazil.

AMG paid taxes of \$3.9 million in the first quarter of 2022, compared to tax payments of \$2.0 million in the first quarter of 2021.

Liquidity

	March 31, 2022	December 31, 2021	Change
Senior secured debt	\$371,323	\$371,897	—%
Cash & cash equivalents	308,482	337,877	(9%)
Senior secured net debt	62,841	34,020	85%
Other debt	26,676	24,398	9%
Net debt excluding municipal bond	89,517	58,418	53%
Municipal bond debt	319,419	319,476	—%
Restricted cash	62,139	93,434	(33%)
Net debt	346,797	284,460	22%

AMG had a net debt position of \$346.8 million as of March 31, 2022. This increase was mainly due to the significant investment in growth initiatives during the quarter.

AMG continued to maintain a strong balance sheet and adequate sources of liquidity during the first quarter. As of March 31, 2022, the Company had \$308 million in unrestricted cash and cash equivalents and \$170 million available on its revolving credit facility. As such, AMG had \$478 million of total liquidity as of March 31, 2022.

In January 2022, AMG Engineering entered into €140 million of long-term bilateral unsecured performance-based guarantee facility agreements. These guarantee arrangements support expected customer advanced payments and replace the existing guarantee arrangements.

In November 2021, AMG entered into a new \$350 million 7-year senior secured term loan B facility ("term loan") and a \$200 million 5-year senior secured revolving credit facility ("revolver"). The total facility amount of \$550 million replaced AMG's prior credit facility and extended the term loan maturity from 2025 to 2028 and revolver maturity from 2023 to 2026. Further strengthening AMG's commitment to Environmental, Social

and Governance (ESG), annual CO₂ intensity reduction targets were built into the Revolving Credit Facility, making it a Sustainability Linked Loan. In conjunction with this loan, AMG entered into a 5-year swap agreement through 2026, which fixed interest rates for the entire term loan at the prevailing low interest rates in November 2021.

Outlook

AMG was able to deliver strong results despite the continuing impact of COVID-19 and the fallout from the geopolitical turbulence in recent months. EBITDA was \$54.8 million in the first quarter of 2022, 93% higher than the first quarter 2021 EBITDA of \$28.3 million, and 25% higher than the fourth quarter of 2021. As mentioned, it was the seventh straight quarter of sequential improvement and we expect this trend to continue.

In December 2021, AMG increased its 2022 EBITDA guidance from “\$150 million or more” to “\$175 - \$200 million.”

In February 2022, we further increased our EBITDA guidance for the full year 2022 to “\$225 million or more.”

Given the improved market conditions within our portfolio, especially the lithium and also the vanadium markets, the new guidance is that 2022 EBITDA will be in the range of \$260 to \$290 million.

The last long-term EBITDA guidance was given in 2019, prior to the COVID period. In 2019, we said “we will reach an EBITDA of \$350 million, or more, in 5 years, or earlier.”

Being now much closer to the year 2023, and despite the global disruption from the coronavirus and the geopolitical turbulence, we strongly reaffirm that guidance.

As to a new long-term EBITDA guidance, we will reach an EBITDA of \$500 million, or more, in 5 years or earlier.

Net income to EBITDA reconciliation

	Q1 '22	Q1 '21
Net income	\$29,884	\$5,678
Income tax benefit	(1,489)	(910)
Net finance cost	8,919	8,654
Equity-settled share-based payment transactions	1,380	1,114
Restructuring expense	141	67
Inventory cost adjustment	—	(333)
Strategic project expense ⁽¹⁾	4,796	2,552
Share of loss of associates	500	387
Others	102	167
EBIT	44,233	17,376
Depreciation and amortization	10,527	10,963
EBITDA	54,760	28,339

(1) The Company is in the ramp-up phase for several strategic expansion projects, including AMG Vanadium's expansion project, the joint venture with Shell, Hybrid Lithium Vanadium Redox Flow 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 Advanced Metallurgical Group N.V.
Condensed Interim Consolidated Income Statement

For the quarter ended March 31

In thousands of US dollars

	2022	2021
	Unaudited	Unaudited
Continuing operations		
Revenue	403,863	263,986
Cost of sales	(328,669)	(217,122)
Gross profit	75,194	46,864
Selling, general and administrative expenses	(37,462)	(33,093)
Other income, net	82	38
Net other operating income	82	38
Operating profit	37,814	13,809
Finance income	299	210
Finance cost	(9,218)	(8,864)
Net finance cost	(8,919)	(8,654)
Share of loss of associates and joint ventures	(500)	(387)
Profit before income tax	28,395	4,768
Income tax benefit	1,489	910
Profit for the period	29,884	5,678
Profit attributable to:		
Shareholders of the Company	29,115	5,099
Non-controlling interests	769	579
Profit for the period	29,884	5,678
Earnings per share		
Basic earnings per share	0.91	0.18
Diluted earnings per share	0.89	0.18

AMG Advanced Metallurgical Group N.V.
Condensed Interim Consolidated Statement of Financial Position

<i>In thousands of US dollars</i>	March 31, 2022 Unaudited	December 31, 2021
Assets		
Property, plant and equipment	719,054	693,624
Goodwill and other intangible assets	43,541	44,684
Derivative financial instruments	16,772	95
Other investments	29,212	29,830
Deferred tax assets	67,036	52,937
Restricted cash	53,728	85,023
Other assets	8,754	8,471
Total non-current assets	938,097	914,664
Inventories	246,037	218,320
Derivative financial instruments	3,721	4,056
Trade and other receivables	198,397	145,435
Other assets	67,691	65,066
Current tax assets	6,619	5,888
Restricted cash	8,411	8,411
Cash and cash equivalents	308,482	337,877
Total current assets	839,358	785,053
Total assets	1,777,455	1,699,717

AMG Advanced Metallurgical Group N.V.
Condensed Interim Consolidated Statement of Financial Position
(continued)

<i>In thousands of US dollars</i>	March 31, 2022 Unaudited	December 31, 2021
Equity		
Issued capital	853	853
Share premium	553,715	553,715
Treasury shares	(14,919)	(16,596)
Other reserves	(81,096)	(96,421)
Retained earnings (deficit)	(146,466)	(173,117)
Equity attributable to shareholders of the Company	312,087	268,434
Non-controlling interests	25,268	25,718
Total equity	337,355	294,152
Liabilities		
Loans and borrowings	665,806	675,384
Lease liabilities	44,306	45,692
Employee benefits	159,590	162,628
Provisions	14,787	14,298
Deferred revenue	21,736	22,341
Other liabilities	9,388	11,098
Derivative financial instruments	769	2,064
Deferred tax liabilities	5,901	5,617
Total non-current liabilities	922,283	939,122
Loans and borrowings	36,847	27,341
Lease liabilities	4,844	4,857
Short-term bank debt	14,765	13,046
Deferred revenue	20,510	18,478
Other liabilities	81,203	80,672
Trade and other payables	266,860	252,765
Derivative financial instruments	6,090	6,010
Advance payments from customers	49,983	35,091
Current tax liability	19,671	10,586
Provisions	17,044	17,597
Total current liabilities	517,817	466,443
Total liabilities	1,440,100	1,405,565
Total equity and liabilities	1,777,455	1,699,717

AMG Advanced Metallurgical Group N.V.
Condensed Interim Consolidated Statement of Cash Flows

For the quarter ended March 31

In thousands of US dollars

	2022	2021
	Unaudited	Unaudited
Cash (used in) from operating activities		
Profit for the period	29,884	5,678
Adjustments to reconcile net profit to net cash flows:		
Non-cash:		
Income tax benefit	(1,489)	(910)
Depreciation and amortization	10,527	10,963
Asset impairment reversal	—	(136)
Net finance cost	8,919	8,654
Share of loss of associates and joint ventures	500	387
(Gain) loss on sale or disposal of property, plant and equipment	(55)	9
Equity-settled share-based payment transactions	1,380	1,088
Movement in provisions, pensions, and government grants	(1,685)	(3,796)
Working capital and deferred revenue adjustments	(41,819)	4,748
Cash generated from operating activities	6,162	26,685
Finance costs paid, net	(5,917)	(4,749)
Income tax paid	(3,899)	(1,997)
Net cash (used in) from operating activities	(3,654)	19,939
Cash used in investing activities		
Proceeds from sale of property, plant and equipment	59	171
Acquisition of property, plant and equipment and intangibles	(43,763)	(35,583)
Investments in associates and joint ventures	(500)	(1,000)
Change in restricted cash	31,295	33,878
Interest received on restricted cash	9	15
Capitalized borrowing cost	(7,886)	(7,722)
Other	8	13
Net cash used in investing activities	(20,778)	(10,228)

AMG Advanced Metallurgical Group N.V.
Condensed Interim Consolidated Statement of Cash Flows
(continued)

For the quarter ended March 31

In thousands of US dollars

	2022	2021
	Unaudited	Unaudited
Cash used in financing activities		
Proceeds from issuance of debt	1,835	1,481
Payment of transaction costs related to debt	—	(390)
Repayment of borrowings	(1,718)	(1,510)
Net (repurchase of) proceeds from issuance common shares	(1,523)	176
Payment of lease liabilities	(1,291)	(1,283)
Contributions by non-controlling interests	—	244
Net cash used in financing activities	(2,697)	(1,282)
Net (decrease) increase in cash and cash equivalents	(27,129)	8,429
Cash and cash equivalents at January 1	337,877	207,366
Effect of exchange rate fluctuations on cash held	(2,266)	(4,716)
Cash and cash equivalents at March 31	308,482	211,079

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 is a global critical materials company at the forefront of CO₂ 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.

AMG Clean Energy Materials segment combines AMG's recycling and mining operations, producing materials for infrastructure and energy storage solutions while reducing the CO₂ footprint of both suppliers and customers. AMG Clean Energy Materials segment spans the vanadium, lithium, and tantalum value chains. AMG Critical Materials Technologies segment combines AMG's leading vacuum furnace technology line with high-purity materials serving global leaders in the aerospace sector. AMG Critical Minerals segment consists of AMG's mineral processing operations in antimony, graphite, and silicon metal.

With approximately 3,300 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 Russia and Japan (www.amg-nv.com).

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Disclaimer

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