



AMG ADVANCED METALLURGICAL GROUP N.V. REPORTS FULL YEAR AND FOURTH QUARTER 2020 RESULTS

Coronavirus Update

- As of today, out of over 3,000 employees we have 3 active confirmed coronavirus cases globally. AMG has zero current COVID hospitalization cases. AMG has not experienced any coronavirus related fatalities, and our current cases have not resulted in a facility closure or operational interruption. AMG continues to implement preventive measures such as practicing social distancing, remote working when possible, and restrictions on travel to protect the health and safety of our employees.

Strategic Highlights

- The construction of AMG's second ferrovanadium plant in Zanesville, Ohio is proceeding as planned. As of December 31, 2020, AMG has committed \$206 million in construction and engineering contracts for the project.
- AMG Brazil has entered into an Exclusive Cooperation Agreement ("ECA") with one of its major customers for lithium concentrates. The ECA provides for AMG Brazil to supply 200,000 DMT over a 5-year supply term, which will be obtained from an expansion (targeting 40,000 DMT per annum) of AMG Brazil's existing lithium concentrate plant. The ECA includes an advanced payment for lithium concentrate which will fund AMG Brazil's investment in the expansion.
- Shell & AMG Recycling B.V. signed a memorandum of understanding (MOU) with the Saudi Arabian Oil Company (Saudi Aramco) to explore the feasibility of building a recycling "Supercenter" in the Kingdom of Saudi Arabia.
- AMG published its ESG Strategic Statement which concludes with: "AMG was founded on the principle that CO₂ abatement targets would create increased criticality for specialty materials. This strategic focus is encapsulated in the ECO₂RP products and will continue to drive AMG's strategy and capital investment program across its three new reporting segments. Our strategic focus is fully aligned with – and in support of – the EU Taxonomy initiative on sustainability and its climate objectives."

Financial Highlights

- EBITDA was \$22.5 million in the fourth quarter of 2020, in line with \$22.8 million in the fourth quarter of 2019. In light of the COVID impacts during the year, it is important to note however, that this is a 59% increase over Q3 2020. COVID-19 had a negative \$12 million impact in the fourth quarter of 2020, which is explained in more detail on page 3.
- AMG reduced SG&A by 30% in the fourth quarter of 2020 to \$26.1 million, compared to \$37.2 million in the fourth quarter of 2019, due to lower personnel costs and ongoing cost reduction initiatives. Full year 2020 SG&A declined by \$25.7 million versus 2019 due to austerity measures and reduced variable compensation.
- AMG's liquidity as of December 31, 2020, was \$377 million, with \$207 million of unrestricted cash and \$170 million of revolving credit availability.
- The total 2020 dividend proposed is €0.20 per ordinary share, including the interim dividend of €0.10, paid on August 13, 2020.

Amsterdam, 24 February 2021 (Regulated Information) --- AMG Advanced Metallurgical Group N.V. ("AMG", Euronext Amsterdam: "AMG") reported fourth quarter 2020 revenue of \$253.5 million, a 6% decrease from \$268.6 million in the fourth quarter of 2019. EBITDA for the fourth quarter of 2020 was \$22.5 million, in line with the fourth quarter of 2019 of \$22.8 million.

Dr. Heinz Schimmelbusch, Chairman of the Management Board and CEO, said, "Out of over 3,000 AMG employees at 33 sites in 15 countries, AMG has 3 active confirmed coronavirus cases globally. AMG has zero current COVID hospitalization cases. AMG's priority continues to be the health and safety of our employees.

"We continued to feel the impact of the coronavirus pandemic in the fourth quarter of 2020 but began to experience selective price stabilization in Critical Materials. These market price improvements accelerated in early 2021, particularly in ferrovandium and lithium. AMG Technologies experienced ongoing lower results associated with weakness in the aerospace sector, however, it is important to note that AMG Engineering's order intake in 2020 exceeded \$200 million for the year.

"AMG's strategic investments are all progressing despite the challenging market environment. The construction of the recycling plant in Zanesville, Ohio, which will essentially double our recycling capacity for refinery residues, is proceeding as planned, utilizing the funds from the municipal bond issue. Shell & AMG Recycling B.V. continues to pursue refinery residue recycling opportunities globally with a focus on the Middle East and China including an MOU with Saudi Aramco to explore the feasibility of building a recycling "Supercenter" in the Kingdom of Saudi Arabia. AMG Brazil is operating at full capacity and the spodumene expansion, known as SP1+, is underway as noted above. AMG Lithium GmbH has invested in a solid-state battery (SSB) pilot plant within its state-of-the-art battery materials laboratory located in Frankfurt, Germany. In addition, the lithium hydroxide upgrader project has commenced in Germany, and AMG's Supervisory

Board approved moving ahead with the detailed engineering as well as the purchase of long lead-time items and the site.”

COVID-19 Effect on AMG’s Business

EBITDA in the fourth quarter of 2020 was in line with the same period in the prior year despite the temporary pandemic-related interruptions to our business. However, we are once again providing a summary of the estimated impact of the pandemic on our operations. Our estimated COVID-19 EBITDA impact is approximately \$12 million for the fourth quarter. This figure is an estimate of what management believes the Company’s EBITDA may have been for the quarter if the pandemic had not occurred. It was calculated using on a bottom-up analysis of our business units, including management’s appraisal of the approximate decline in revenues from lower volumes and pricing, as well as related expense implications resulting from the impacts of the pandemic compared to the Company’s financial plan.

AMG Critical Materials’ pandemic-related impacts continued from the second and third quarters into the fourth, but we saw increased volumes being sold to our customers in five of seven of our business units, and the COVID effects were reduced versus the level in the second and third quarters of 2020.

AMG Technologies’ pandemic-related impacts continued to be driven by the decreased and postponed volumes from our aerospace customers, but we also experienced difficulty finalizing vacuum furnace orders and servicing our customers with replacement parts due to global travel restrictions. These effects were partially offset by an improved performance from our Heat Treatment Services business, which experienced higher demand as a result of the rapidly recovering automotive sector.

Key Figures

In 000's US dollars

| | Q4 '20 | Q4 '19 | Change | FY '20 | FY '19 | Change |
|--|------------------|------------------|-------------|------------------|--------------------|--------------|
| Revenue | \$253,476 | \$268,563 | (6%) | \$937,116 | \$1,188,571 | (21%) |
| Gross profit | 28,103 | 30,422 | (8%) | 112,653 | 118,290 | (5%) |
| Gross margin | 11.1% | 11.3% | | 12.0% | 10.0% | |
| Operating loss | (2,184) | (7,012) | 69% | (9,235) | (25,722) | 64% |
| Operating margin | (0.9%) | (2.6%) | | (1.0%) | (2.2%) | |
| Net loss attributable to shareholders | (2,839) | (14,239) | 80% | (41,692) | (48,283) | 14% |
| EPS - Fully diluted | (0.10) | (0.50) | 80% | (1.47) | (1.64) | 10% |
| EBIT ⁽¹⁾ | 11,059 | 11,450 | (3%) | 23,106 | 79,415 | (71%) |
| EBITDA ⁽²⁾ | 22,539 | 22,772 | (1%) | 66,767 | 121,382 | (45%) |
| EBITDA margin | 8.9% | 8.5% | | 7.1% | 10.2% | |
| Cash from operating activities | 11,358 | 55,517 | (80%) | 19,619 | 46,573 | (58%) |

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 equity-settled share-based payments and includes foreign currency gains or losses.
- (2) EBITDA is defined as EBIT adjusted for depreciation and amortization.

Operational Review

AMG Critical Materials

| | Q4 '20 | Q4 '19 | Change | FY '20 | FY '19 | Change |
|---|-----------|-----------|--------|-----------|-----------|--------|
| Revenue | \$171,396 | \$170,152 | 1% | \$575,717 | \$762,482 | (24%) |
| Gross profit | 17,758 | 8,211 | 116% | 56,342 | 19,343 | 191% |
| Gross profit before non-recurring items | 21,847 | 21,653 | 1% | 67,953 | 110,315 | (38%) |
| Operating profit (loss) | 403 | (11,594) | N/A | (9,726) | (59,318) | 84% |
| EBITDA | 16,425 | 13,061 | 26% | 41,016 | 65,401 | (37%) |

AMG Critical Materials' revenue in the fourth quarter reflected a continuing weak price environment versus the fourth quarter of 2019. Revenues increased by \$1.2 million, or 1%, to \$171.4 million, driven mainly by higher sales volumes of lithium concentrate, aluminum, antimony, graphite and silicon, offset by lower sales volumes of ferrovanadium and lower prices in vanadium, chrome, tantalum and spodumene.

Gross profit before non-recurring items increased by 1% in the fourth quarter due to increased revenue.

SG&A expenses in the fourth quarter of 2020 were \$13.4 million, \$6.4 million lower than the fourth quarter of 2019, due to lower personnel costs, particularly variable compensation expense, lower professional fees, as well as cost reduction efforts across the business.

The fourth quarter 2020 EBITDA margin was 10%, compared to 8% in the same period in the prior year, due to cost reduction efforts as noted above.

AMG Technologies

| | Q4 '20 | Q4 '19 | Change | FY '20 | FY '19 | Change |
|---|----------|----------|--------|-----------|-----------|--------|
| Revenue | \$82,080 | \$98,411 | (17%) | \$361,399 | \$426,089 | (15%) |
| Gross profit | 10,345 | 22,211 | (53%) | 56,311 | 98,947 | (43%) |
| Gross profit before non-recurring items | 13,669 | 22,209 | (38%) | 60,500 | 103,551 | (42%) |
| Operating (loss) profit | (2,587) | 4,582 | N/A | 491 | 33,596 | (99%) |
| EBITDA | 6,114 | 9,711 | (37%) | 25,751 | 55,981 | (54%) |

AMG Technologies' fourth quarter 2020 revenue decreased by \$16.3 million, or 17%, due to reduced aerospace activity and volume reductions, as well as lower profitability associated with metal price declines for the Titanium Alloys and Coatings business. These declines were offset by higher revenue from heat treatment services and remelting furnaces. Consequently, fourth quarter 2020 gross profit before non-recurring items decreased by \$8.5 million, or 38%, to \$13.7 million.

SG&A expenses decreased by \$4.8 million, or 27%, in the fourth quarter of 2020 compared to the fourth quarter of 2019, due to lower personnel costs, particularly variable compensation expense, lower professional fees, as well as cost reduction efforts across the business.

AMG Technologies' fourth quarter EBITDA decreased by 37% to \$6.1 million from \$9.7 million in the fourth quarter of 2019 due to lower profitability related to the challenging economic environment as outlined above.

Order backlog was \$198.1 million as of December 31, 2020, a 9% decrease from \$217.7 million as of September 30, 2020 and an 11% decrease from \$222.6 million as of December 31, 2019. The Company signed \$45.5 million in new orders during the fourth quarter of 2020, but order intake and order backlog were reduced by the cancellation of a \$14.3 million order. The quarter benefited from strong orders of induction melting and arc remelting furnaces for specialty steel producers. On a full year basis, including the cancellation, the Company signed \$208.6 million in new orders, representing a 0.83x book to bill ratio.

Financial Review

Tax

AMG recorded an income tax expense of \$11.2 million in 2020 as compared to a benefit of \$5.1 million in 2019. In addition to increased profitability in certain jurisdictions, this increased tax expense was mainly driven by a year-over-year increase of \$11.7 million in non-cash tax expense due to movements in the Brazilian real. Movements in the Brazilian real exchange rate impact the valuation of the Company's net deferred tax assets. The devaluation of the real during 2020 resulted in an additional non-cash tax expense of \$11.1 million, compared to a benefit of \$0.6 million in 2019.

AMG paid taxes of \$8.6 million in 2020, compared to tax payments of \$24.6 million in 2019. As a result of the year-over-year volatility in income and the timing of cash tax payments, the present cash tax rate is not indicative of the current year performance as payments in the current year are attributable to income from prior years and not 2020. Once earnings have stabilized, we believe that the cash tax rate is the more meaningful metric with regards to AMG's taxes due to the volatile nature of the company's deferred tax balances.

Exceptional Items

AMG's fourth quarter 2020 and full year 2020 gross profit includes exceptional items, which are not included in the calculation of EBITDA.

A summary of exceptional items included in gross profit in 2020 and 2019 are below:

Exceptional items included in gross profit

| | Q4 '20 | Q4 '19 | Change | FY '20 | FY '19 | Change |
|---|---------------|---------------|--------------|----------------|----------------|--------------|
| Gross profit | \$28,103 | \$30,422 | (8%) | \$112,653 | \$118,290 | (5%) |
| Inventory cost adjustment | 2,160 | 12,001 | (82%) | 6,219 | 87,792 | (93%) |
| Restructuring expense | 4,374 | 2,442 | 79% | 5,700 | 3,265 | 75% |
| Asset impairment expense | 566 | (1,003) | N/A | 664 | 4,519 | (85%) |
| Strategic project expense | 313 | – | N/A | 3,217 | – | N/A |
| Gross profit excluding exceptional items | 35,516 | 43,862 | (19%) | 128,453 | 213,866 | (40%) |

AMG had a \$2.2 million exceptional non-cash expense during the fourth quarter of 2020 as a result of inventory cost adjustments in our Brazilian operations, which has been adjusted in EBITDA. The \$4.4 million restructuring expense in the fourth quarter was mainly due to headcount reductions in our AMG Technologies and Chrome operations. The Company is in the ramp-up phase for three significant strategic expansion projects, including AMG Vanadium's expansion project, the joint venture with Shell, 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.

Liquidity

| | December 31, 2020 | December 31, 2019 | Change |
|--|----------------------|----------------------|------------|
| Senior secured debt | \$364,640 | \$366,682 | (1%) |
| Cash & equivalents | 207,366 | 226,218 | (8%) |
| Senior secured net debt | 157,274 | 140,464 | 12% |
| Other debt | 19,876 | 12,144 | 64% |
| Net debt excluding municipal bond | 177,150 | 152,608 | 16% |
| Municipal bond debt | 319,699 | 319,911 | – |
| Restricted cash | 208,919 | 309,581 | (33%) |
| Net debt | 287,930 | 162,938 | 77% |

AMG had a net debt position of \$287.9 million as of December 31, 2020. This increase was mainly due to the significant investment in growth initiatives during the quarter, especially the vanadium expansion.

In 2020, AMG maintained a strong balance sheet and adequate sources of liquidity. As of December 31, 2020, the Company had \$207 million in unrestricted cash and cash equivalents and \$170 million available on its revolving credit facility. As such, AMG had \$377 million of total liquidity as of December 31, 2020.

Net Finance Costs

AMG's fourth quarter 2020 net finance costs were \$4.9 million compared to \$6.1 million in the fourth quarter of 2019. This decline is mainly driven by favorable foreign exchange movements. Additionally, AMG capitalized \$3.8 million of interest costs in the fourth quarter of 2020 compared to \$2.8 million in the prior year, driven by interest associated with the Company's new tax-exempt municipal bond supporting the vanadium expansion in Ohio.

SG&A

AMG's fourth quarter 2020 SG&A expenses were \$26.1 million compared to \$37.2 million in the fourth quarter of 2019, due to continued cost reduction efforts across the business as detailed earlier.

Full year 2020 SG&A expenses were \$117.8 million, a decrease of \$25.7 million, or 18%, from the prior year, which includes a non-recurring reversal for share-based compensation expense of \$4.1 million related to share-based awards currently not forecasted to meet the threshold to vest. This reversal was excluded from EBITDA. SG&A expenses for 2020 included \$18.7 million in professional fees versus \$26.6 for 2019, \$68.0 million in personnel costs and variable compensation expense compared to \$78.0 in 2019. These decreases were partially offset by the Lithium expansion projects in Germany.

Final Dividend Proposed

AMG intends to declare a dividend of €0.20 per ordinary share over the financial year 2020. The interim dividend of €0.10, paid on August 13, 2020, will be deducted from the amount to be distributed to shareholders. The proposed final dividend per ordinary share therefore amounts to €0.10.

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 6, 2021.

Outlook

We believe that AMG's results will continue to trend positively, and we expect to exceed \$100 million EBITDA in 2021.

Segmental Realignment

The Company has changed its organizational structure effective January 1, 2021. This change results in three reporting segments: AMG Clean Energy Materials (“CEM”), AMG Critical Minerals (“CMI”), and AMG Critical Materials Technologies (“CMT”). Each of these segments address similar markets, apply similar business models, and each segment has its own set of peers. Most importantly, each segment has products which enable CO₂ reduction, and each segment is targeting growth in its contribution to the ECO₂RP.

AMG’s pro forma segmental information for AMG Clean Energy Materials, AMG Critical Minerals, and AMG Critical Materials Technologies for the fourth quarter of 2020 is shown below:

AMG Clean Energy Materials

| | Q1 '20 | Q2 '20 | Q3 '20 | Q4 '20 | FY '20 |
|---------------------|---------------|---------------|---------------|---------------|---------------|
| Revenue | 69,219 | 53,054 | 56,396 | 66,995 | 245,664 |
| Gross (loss) profit | 4,307 | 1,818 | (135) | 6,004 | 11,994 |
| Operating loss | (5,654) | (5,481) | (8,269) | (5,118) | (24,522) |
| EBITDA | (1,048) | 1,279 | 3,268 | 7,081 | 10,580 |

AMG Critical Minerals

| | Q1 '20 | Q2 '20 | Q3 '20 | Q4 '20 | FY '20 |
|------------------|---------------|---------------|---------------|---------------|---------------|
| Revenue | 57,760 | 47,908 | 52,167 | 55,483 | 213,318 |
| Gross profit | 10,289 | 6,141 | 8,642 | 10,557 | 35,629 |
| Operating profit | 4,285 | 1,194 | 3,409 | 5,279 | 14,167 |
| EBITDA | 6,807 | 3,648 | 6,562 | 8,871 | 25,888 |

AMG Critical Materials Technologies

| | Q1 '20 | Q2 '20 | Q3 '20 | Q4 '20 | FY '20 |
|-------------------------|---------------|---------------|---------------|---------------|---------------|
| Revenue | 151,311 | 106,648 | 89,177 | 130,998 | 478,134 |
| Gross profit | 28,564 | 12,582 | 12,342 | 11,542 | 65,030 |
| Operating profit (loss) | 9,695 | (2,403) | (3,827) | (2,345) | 1,120 |
| EBITDA | 16,570 | 2,829 | 4,313 | 6,587 | 30,299 |

Net loss to EBITDA reconciliation

| | Q4 '20 | Q4 '19 | FY '20 | FY '19 |
|---|---------------|---------------|---------------|----------------|
| Loss for the year | (\$2,613) | (\$14,083) | (\$42,460) | (\$48,586) |
| Income tax (benefit) expense | (4,950) | 938 | 11,184 | (5,119) |
| Net finance cost* | 5,956 | 5,920 | 23,524 | 27,626 |
| Equity-settled share-based payment transactions** | (2,164) | 1,422 | 3,792 | 5,514 |
| Restructuring expense | 4,374 | 2,442 | 5,700 | 3,265 |
| Inventory cost adjustment | 2,160 | 12,001 | 6,219 | 87,792 |
| Asset impairment expense | 566 | (1,003) | 664 | 4,519 |
| Environmental provision | 4,287 | 234 | 4,342 | 725 |
| Exceptional legal expense | (35) | 3,133 | 1,353 | 3,133 |
| Strategic project expense | 2,529 | – | 7,085 | – |
| Share of loss of associates | 518 | – | 947 | – |
| Others | 431 | 446 | 756 | 546 |
| EBIT | 11,059 | 11,450 | 23,106 | 79,415 |
| Depreciation and amortization | 11,480 | 11,322 | 43,661 | 41,967 |
| EBITDA | 22,539 | 22,772 | 66,767 | 121,382 |

*Excludes foreign exchange (gain) loss.

**Amount includes variable compensation expense which is expected to be share-settled in 2021.

During the fourth quarter of 2020, AMG recorded non-recurring environmental expense of \$4.3 million, the majority of which was related to the remediation of a closed site in Newfield, New Jersey. This amount offset a \$21.7 million reduction to the underlying environmental provision due to significant progress in remediating the site.

AMG Advanced Metallurgical Group N.V.
Consolidated Income Statement

For the quarter ended December 31

In thousands of US dollars

| | 2020 Unaudited | 2019 |
|---|-------------------|-----------------|
| Continuing operations | | |
| Revenue | 253,476 | 268,563 |
| Cost of sales | 225,373 | 238,141 |
| Gross profit | 28,103 | 30,422 |
| Selling, general and administrative expenses | 26,065 | 37,209 |
| Environmental expense | 4,287 | 234 |
| Other income, net | (65) | (9) |
| Net other operating expense | 4,222 | 225 |
| Operating loss | (2,184) | (7,012) |
| Finance income | (2,311) | (1,662) |
| Finance cost | 7,172 | 7,795 |
| Net finance cost | 4,861 | 6,133 |
| Share of loss of associates | (518) | - |
| Loss before income tax | (7,563) | (13,145) |
| Income tax (benefit) expense | (4,950) | 938 |
| Loss for the period | (2,613) | (14,083) |
| Loss attributable to: | | |
| Shareholders of the Company | (2,839) | (14,239) |
| Non-controlling interests | 226 | 156 |
| Loss for the period | (2,613) | (14,083) |
| Loss per share | | |
| Basic loss per share | (0.10) | (0.50) |
| Diluted loss per share | (0.10) | (0.50) |

AMG Advanced Metallurgical Group N.V.
Consolidated Income Statement

For the year ended December 31

In thousands of US dollars

| | 2020 Unaudited | 2019 |
|---|-------------------|-----------------|
| Continuing operations | | |
| Revenue | 937,116 | 1,188,571 |
| Cost of sales | 824,463 | 1,070,281 |
| Gross profit | 112,653 | 118,290 |
| Selling, general and administrative expenses | 117,780 | 143,451 |
| Environmental expense | 4,342 | 725 |
| Other income, net | (234) | (164) |
| Net other operating expense | 4,108 | 561 |
| Operating loss | (9,235) | (25,722) |
| Finance income | (4,757) | (4,728) |
| Finance cost | 25,851 | 32,711 |
| Net finance cost | 21,094 | 27,983 |
| Share of loss of associates | (947) | - |
| Loss before income tax | (31,276) | (53,705) |
| Income tax expense (benefit) | 11,184 | (5,119) |
| Loss for the year | (42,460) | (48,586) |
| Loss attributable to: | | |
| Shareholders of the Company | (41,692) | (48,283) |
| Non-controlling interests | (768) | (303) |
| Loss for the year | (42,460) | (48,586) |
| Loss per share | | |
| Basic loss per share | (1.47) | (1.64) |
| Diluted loss per share | (1.47) | (1.64) |

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

| <i>In thousands of US dollars</i> | December 31, 2020 Unaudited | December 31, 2019 |
|--------------------------------------|-----------------------------------|----------------------|
| Assets | | |
| Property, plant and equipment | 551,926 | 429,993 |
| Goodwill and other intangible assets | 43,207 | 41,923 |
| Derivative financial instruments | 1,894 | 922 |
| Other investments | 27,527 | 23,565 |
| Deferred tax assets | 58,081 | 60,945 |
| Restricted cash | 208,919 | 309,581 |
| Other assets | 8,496 | 11,072 |
| Total non-current assets | 900,050 | 878,001 |
| Inventories | 152,306 | 204,152 |
| Derivative financial instruments | 5,961 | 2,693 |
| Trade and other receivables | 122,369 | 119,052 |
| Other assets | 44,821 | 33,720 |
| Current tax assets | 5,108 | 7,980 |
| Cash and cash equivalents | 207,366 | 226,218 |
| Assets held for sale | 1,005 | 140 |
| Total current assets | 538,936 | 593,955 |
| Total assets | 1,438,986 | 1,471,956 |

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

| <i>In thousands of US dollars</i> | December 31, 2020 Unaudited | December 31, 2019 |
|---|-----------------------------------|----------------------|
| Equity | | |
| Issued capital | 831 | 831 |
| Share premium | 489,546 | 489,546 |
| Treasury shares | (80,165) | (83,880) |
| Other reserves | (110,593) | (116,358) |
| Retained earnings (deficit) | (184,139) | (129,626) |
| Equity attributable to shareholders of the Company | 115,480 | 160,513 |
| Non-controlling interests | 25,790 | 23,893 |
| Total equity | 141,270 | 184,406 |
| Liabilities | | |
| Loans and borrowings | 673,262 | 669,497 |
| Lease liabilities | 47,092 | 46,490 |
| Employee benefits | 197,158 | 175,870 |
| Provisions | 15,322 | 28,984 |
| Other liabilities | 12,598 | 3,629 |
| Derivative financial instruments | 4,389 | 4,289 |
| Deferred tax liabilities | 5,398 | 4,300 |
| Total non-current liabilities | 955,219 | 933,059 |
| Loans and borrowings | 23,392 | 21,740 |
| Lease liabilities | 4,789 | 4,227 |
| Short-term bank debt | 7,561 | 7,500 |
| Other liabilities | 67,805 | 61,479 |
| Trade and other payables | 164,999 | 157,108 |
| Derivative financial instruments | 10,264 | 4,037 |
| Advance payments from customers | 29,885 | 57,650 |
| Current tax liability | 7,480 | 18,299 |
| Provisions | 26,322 | 22,451 |
| Total current liabilities | 342,497 | 354,491 |
| Total liabilities | 1,297,716 | 1,287,550 |
| Total equity and liabilities | 1,438,986 | 1,471,956 |

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

For the year ended December 31

In thousands of US dollars

| | 2020 Unaudited | 2019 |
|--|-------------------|------------------|
| Cash from operating activities | | |
| Loss for the year | (42,460) | (48,586) |
| Adjustments to reconcile net loss to net cash flows: | | |
| Non-cash: | | |
| Income tax expense (benefit) | 11,184 | (5,119) |
| Depreciation and amortization | 43,661 | 41,967 |
| Asset impairments | 664 | 4,519 |
| Net finance cost | 21,094 | 27,983 |
| Share of loss of associates and joint ventures | 947 | - |
| Loss (gain) on sale or disposal of property, plant and equipment | 358 | (69) |
| Equity-settled share-based payment transactions | 1,429 | 5,514 |
| Movement in provisions, pensions, and government grants | (121) | (8,053) |
| Working capital and deferred revenue adjustments | 10,829 | 76,169 |
| Cash generated from operating activities | 47,585 | 94,325 |
| Finance costs paid, net | (19,410) | (23,152) |
| Income tax paid | (8,556) | (24,600) |
| Net cash from operating activities | 19,619 | 46,573 |
| Cash used in investing activities | | |
| Proceeds from sale of property, plant and equipment | 71 | 421 |
| Acquisition of property, plant and equipment and intangibles | (123,695) | (79,442) |
| Acquisition of subsidiaries | - | (25,435) |
| Investments in associates and joint ventures | (1,000) | - |
| Change in restricted cash | 100,662 | (307,866) |
| Interest received on restricted cash | 1,120 | 2,762 |
| Capitalized borrowing cost | (15,150) | (325) |
| Other | 76 | 6 |
| Net cash used in investing activities | (37,916) | (409,879) |

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

For the year ended December 31

In thousands of US dollars

| | 2020 | 2019 |
|--|-----------------|------------------|
| | Unaudited | |
| Cash (used in) from financing activities | | |
| Proceeds from issuance of debt | 9,190 | 325,093 |
| Payment of transaction costs related to the issuance of debt | - | (4,981) |
| Repayment of borrowings | (4,072) | (3,911) |
| Proceeds from issuance of common shares | - | 2,915 |
| Net repurchase of common shares | (638) | (89,881) |
| Dividends paid | (9,513) | (16,703) |
| Payment of lease liabilities | (4,738) | (3,829) |
| Contributions by non-controlling interests | 597 | - |
| Net cash (used in) from financing activities | (9,174) | 208,703 |
| Net decrease in cash and cash equivalents | (27,471) | (154,603) |
| Cash and cash equivalents at January 1 | 226,218 | 381,900 |
| Effect of exchange rate fluctuations on cash held | 8,619 | (1,079) |
| Cash and cash equivalents at December 31 | 207,366 | 226,218 |

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

With approximately 3,100 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).

For further information, please contact:

AMG Advanced Metallurgical Group N.V. +1 610 975 4979

Michele Fischer

mfischer@amg-nv.com

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.