



AMG'S LITHIUM OPERATIONS CONTINUE TO DRIVE RECORD EARNINGS

Amsterdam, 3 May 2023 (Regulated Information) --- AMG Advanced Metallurgical Group N.V. ("AMG", Euronext Amsterdam: "AMG") reported first quarter 2023 revenue of \$451 million, a 12% increase versus the same period in 2022. First quarter 2023 EBITDA of \$118 million was more than double the EBITDA of \$55 million for the first three months of last year, and represents an all-time high for AMG's quarterly EBITDA.

<i>In 000's US dollars</i>	Q1 '23	Q1 '22	Change
Revenue	\$450,590	\$403,863	12%
EBITDA ⁽¹⁾	118,111	54,760	116%
Cash from (used in) operating activities	93,395	(3,654)	N/A
Net income attributable to shareholders	56,221	29,115	93%
EPS - Fully diluted	1.72	0.89	93%
Return on Capital Employed	37.9%	19.8%	

Note:

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

Dr. Heinz Schimmelbusch, Chairman of the Management Board and CEO, said, "I am pleased to announce that AMG will change its name, subject to the approval of our shareholders in the upcoming Annual General Meeting, from AMG Advanced Metallurgical Group N.V. to AMG Critical Materials N.V. We have also achieved new record earnings and operating cash flow.

This is the third straight quarter in which AMG has exceeded \$100 million of EBITDA. The \$63 million, or 116%, EBITDA increase over the first quarter of 2022 was driven largely by our Clean Energy Materials segment, specifically AMG Lithium and its Brazil operation with an EBITDA contribution of \$92 million.

AMG's liquidity as of March 31, 2023 was \$555 million, with \$360 million of unrestricted cash and \$195 million of revolving credit availability. The Company will pay its final 2022 declared dividend of €0.40 per ordinary share on or around May 11, 2023, to shareholders of record on May 9, 2023.

The record results are due to our recent expansion projects. The profitability going forward is also driven by the strategic projects coming on stream in 2023 and 2024, in particular our lithium concentrate expansion and our first lithium hydroxide refinery

module in Bitterfeld. We thereby confirm our guidance for 2023 to exceed \$400 million in EBITDA.”

Strategic Highlights

Lithium

- The lithium concentrate production expansion project in AMG Brazil is progressing as planned.
- AMG Lithium’s hydroxide refinery in Bitterfeld, Germany, Europe’s first, is under construction, with commissioning for the first 20,000-ton module expected in the fourth quarter of 2023.
- Regarding its development of solid state battery materials, AMG Lithium GmbH has engaged in a joint production with Fraunhofer Institute, Münster University, Wacker, and Schunk to develop next generation solid-state batteries based on lithium-sulfur technology. AMG Lithium will provide lithium sulfide and solid electrolytes for this project.
- AMG has a 25% shareholding in Zinnwald Lithium PLC and is supporting the Zinnwald Board to accelerate the development of its lithium project in Eastern Germany.

Vanadium

- The new vanadium spent catalyst recycling facility in Zanesville, Ohio, continues to progress, with the roaster operating at its design capacity and the melt shop targeting full production capacity later in the second quarter of this year.
- AMG’s innovative lithium vanadium battery (“LIVA”) projects for industrial power management applications outlined at our Capital Markets Day are being executed as planned.
- AMG has completed the expansion of its vanadium oxide (“V₂O₅”) production in Nuremberg, either using gasification ash or spent catalyst as alternative feed. V₂O₅ is increasingly destined for the LIVA battery market.
- In January 2023, AMG started building a vanadium electrolyte plant at its subsidiary, AMG Titanium, in Nuremberg, Germany. The target capacity is 6,000 m³ vanadium electrolyte, which will serve the electricity storage market. Production is expected to start at the end of this year.

- Shell & AMG Recycling B.V. (“SARBV”) continues to advance its projects in the Middle East including the first phase of the Supercenter project based on long-term supply agreements with ARAMCO. Front end engineering design for the first phase of the project, the conversion of gasification ash into V₂O₅, began in late 2022 and will be completed in the fourth quarter of 2023.

Financial Highlights

- Revenue increased by 12% to \$451 million in the first quarter of 2023 from \$404 million in the first quarter of 2022.
- EBITDA was \$118 million in the first quarter of 2023, up 116% versus the first quarter 2022 EBITDA of \$55 million.
- Annualized return on capital employed was 37.9% for the first quarter of 2023, compared to 19.8% for the first three months of 2022.
- Cash from operating activities was \$93 million in the first quarter of 2023, an increase of \$97 million over the same period in 2022.
- Net income attributable to shareholders for the first three months of 2023 was \$56 million, yielding \$1.72 diluted earnings per share compared to \$0.89 for the same period in 2022.
- AMG’s liquidity as of March 31, 2023 was \$555 million, with \$360 million of unrestricted cash and \$195 million of revolving credit availability.
- The Company will pay its final 2022 declared dividend of €0.40 per ordinary share on or around May 11, 2023, to shareholders of record on May 9, 2023.

Key Figures

In 000's US dollars

	Q1 '23	Q1 '22	Change
Revenue	\$450,590	\$403,863	12%
Gross profit	139,842	75,194	86%
Gross margin	31.0%	18.6%	
Operating profit	100,023	37,814	165%
Operating margin	22.2%	9.4%	
Net income attributable to shareholders	56,221	29,115	93%
EPS - Fully diluted	1.72	0.89	93%
EBIT ⁽¹⁾	105,144	44,233	138%
EBITDA ⁽²⁾	118,111	54,760	116%
EBITDA margin	26.2%	13.6%	
Cash from (used in) operating activities	93,395	(3,654)	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 and other exceptional items, 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 '23	Q1 '22	Change
Revenue	\$219,080	\$143,659	53%
Gross profit	108,957	39,004	179%
Operating profit	95,643	28,219	239%
EBITDA	106,137	37,227	185%

AMG Clean Energy Materials' revenue increased 53% compared to the first quarter of 2022, to \$219 million, driven mainly by higher prices in tantalum and lithium concentrates, as well as increased sales volumes of vanadium and tantalum concentrate.

Gross profit for the quarter increased 179% compared to the same period in the prior year, primarily due to the increased price environment.

SG&A expenses in the first quarter of 2023 were 23% higher than the same period in 2022, largely due to higher personnel costs and variable compensation expense mainly driven by the increase in headcount related to the lithium and vanadium expansion projects.

The first quarter 2023 EBITDA increased 185%, to \$106 million, from \$37 million in the first quarter of 2022, due to the improved gross profit as noted above.

During the first quarter of 2023, a total of 20,509 dry metric tons (“dmt”) of lithium concentrates was sold. The average realized sales price was \$4,846/dmt CIF China for the quarter. The average cost per ton for the quarter was \$338/dmt CIF China. This exceptional cost per ton result was driven by high sales volumes of tantalum concentrate in the quarter, and drove a quarterly EBITDA figure for AMG Brazil of \$92 million.

AMG Critical Minerals

	Q1 '23	Q1 '22	Change
Revenue	\$62,929	\$106,909	(41%)
Gross profit	7,266	13,002	(44%)
Operating profit	635	5,647	(89%)
EBITDA	2,550	7,883	(68%)

AMG Critical Minerals’ revenue for the first quarter of 2023 decreased by \$44 million, or 41%, to \$63 million, mainly due to lower volumes across the segment which was primarily driven by the silicon metal plant care and maintenance plan for the first two months of 2023 prior to restarting and operating one furnace in March discussed in detail below. The segment also suffered from a slowdown in the European industrial economy.

Gross profit of \$7 million in the first quarter was \$6 million lower compared to the first quarter of 2022, largely due to the lower volumes in the first three months of this year.

SG&A expenses in the first quarter of 2023 decreased by 3%, to \$7 million, compared to the same period in 2022. This was driven by lower personnel costs and variable compensation expense in the current quarter due to the interruptions in AMG Silicon’s operations earlier this quarter.

The first quarter 2023 EBITDA decreased 68% compared to the same period in 2022, to \$3 million, due to the lower gross profit as noted above.

As of March 1, 2023, AMG’s silicon metal plant in Pocking, Germany, restarted operating one furnace. AMG Silicon is operating one furnace throughout the second quarter and plans to operate one furnace in the third quarter. The operational parameters of the silicon business will continue to be reviewed on an ongoing basis and will be adjusted as appropriate in line with favorable and predictable market conditions. Due to the noted interruptions in silicon operations, the financial impact of the business will be excluded from EBITDA during this period of abnormal operations. However, AMG

Silicon generated \$11 million in cash flow from operating activities during the quarter driven by the receipt of energy sales made in the fourth quarter of 2022. The financial impact of the care and maintenance program does not significantly impact AMG's overall projected 2023 financial results.

AMG Critical Materials Technologies

	Q1 '23	Q1 '22	Change
Revenue	\$168,581	\$153,295	10%
Gross profit	23,619	23,188	2%
Operating profit	3,745	3,948	(5%)
EBITDA	9,424	9,650	(2%)

AMG Critical Materials Technologies' first quarter 2023 revenue increased by \$15 million, or 10%, compared to the same period in 2022. This improvement was driven by higher sales volumes of titanium alloys and chrome metal.

SG&A expenses increased by 3% in the first quarter of 2023 compared to the same period in 2022, due to an increase in personnel costs and higher variable compensation expense in the current quarter.

AMG Critical Materials Technologies' EBITDA was \$9 million during the quarter compared to \$10 million in the same period of 2022. The slight decrease was due to lower sequential chrome prices in the first quarter, partially offset by stronger profitability from our Engineering business.

AMG Engineering signed \$76 million in new orders during the first quarter of 2023, driven by strong orders of remelting, turbine blade and heat treatment furnaces, representing a 1.21x book to bill ratio. Order backlog was \$237 million as of March 31, 2023, the highest since March 31, 2020.

Financial Review

Tax

AMG recorded an income tax expense of \$36 million in the first quarter of 2023, compared to a tax benefit of \$1 million in the first quarter of 2022. This variance was mainly driven by higher profitability in AMG Lithium at its Brazil operation coupled with movements in the Brazilian real. The effects of the Brazilian real caused a \$2 million tax expense in the first three months of 2023, compared to a \$15 million benefit in the same period in 2022. Fluctuations 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 \$21 million in the first quarter of 2023, compared to tax payments of \$4 million in the first quarter of 2022. The higher cash payments this quarter were largely a result of higher profitability in Brazil.

Exceptional Items

AMG's first quarter 2023 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 2023 and 2022 are below:

Exceptional items included in gross profit

	Q1 '23	Q1 '22	Change
Gross profit	\$139,842	\$75,194	86%
Inventory cost adjustment	510	—	N/A
Restructuring (reversal) expense	(263)	141	N/A
Asset impairment reversal	(767)	—	N/A
Silicon's partial closure	(156)	—	N/A
Strategic project (reversal) expense	(51)	2,265	N/A
Gross profit excluding exceptional items	139,115	77,600	79%

The asset impairment reversal during the first quarter of 2023 was due to an insurance recovery on previously impaired machinery and equipment.

SG&A

AMG's first quarter 2023 SG&A expenses were \$40 million compared to \$37 million in the first quarter of 2022, with the increase largely attributable to higher personnel costs and variable compensation expense mainly driven by the increase in headcount related to the lithium and vanadium expansion projects in our Clean Energy Materials segment.

Liquidity

	March 31, 2023	December 31, 2022	Change
Senior secured debt	\$339,061	\$348,622	(3%)
Cash & cash equivalents	359,525	346,043	4%
Senior secured net (cash) debt	(20,464)	2,579	N/A
Other debt	14,801	14,959	(1%)
Net (cash) debt excluding municipal bond	(5,663)	17,538	N/A
Municipal bond debt	319,185	319,244	—%
Restricted cash	2,911	6,920	(58%)
Net debt	310,611	329,862	(6%)

AMG ended the quarter in a \$311 million net debt position. This decrease versus year-end 2022 was mainly due to \$10 million of debt repayment and higher unrestricted cash of \$14 million, offset by the utilization of restricted cash associated with the municipal bond.

AMG continued to maintain a strong balance sheet and adequate sources of liquidity during the first quarter. As of March 31, 2023, the Company had \$360 million in unrestricted cash and cash equivalents and \$195 million available on its revolving credit facility. As such, AMG had \$555 million of total liquidity as of March 31, 2023.

Net Finance Costs

AMG's first quarter 2023 net finance cost was \$7 million compared to \$9 million in the first quarter of 2022. This variance was mainly driven by foreign exchange gains of \$2 million during the quarter primarily due to non-cash intergroup balances.

AMG capitalized \$2 million of interest costs in the first quarter of 2023 versus \$4 million in the same period in 2022. This decrease is mainly driven by the interest associated with the expansion projects in AMG Lithium and Brazil operations compared to a higher capitalized interest associated with the Company's tax-exempt municipal bond supporting the vanadium expansion in Ohio in prior year.

Outlook

AMG reaffirms its guidance for the full year 2023 to exceed \$400 million EBITDA.

Regarding AMG's 5-year guidance, the outstanding progress we have made with our strategic growth projects and given the compelling long-term supply and demand dynamics in the lithium market, we are issuing new guidance to achieve \$650 million EBITDA, or more, in 5 years or earlier.

Profit for the period to adjusted EBITDA reconciliation

	Q1 '23	Q1 '22
Profit for the period	\$56,447	\$29,884
Income tax expense (benefit)	35,927	(1,489)
Net finance cost	6,617	8,919
Equity-settled share-based payment transactions	1,469	1,380
Restructuring (reversal) expense	(263)	141
Silicon's partial closure	547	—
Inventory cost adjustment	510	—
Asset impairment reversal	(767)	—
Strategic project expense ⁽¹⁾	3,625	4,796
Share of loss of associates	1,032	500
Others	—	102
EBIT	105,144	44,233
Depreciation and amortization	12,967	10,527
EBITDA	118,111	54,760

Notes:

- (1) The Company is in the initial development and ramp-up phases 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

	2023	2022
	Unaudited	Unaudited
Continuing operations		
Revenue	450,590	403,863
Cost of sales	(310,748)	(328,669)
Gross profit	139,842	75,194
Selling, general and administrative expenses	(40,360)	(37,462)
Other income, net	541	82
Net other operating income	541	82
Operating profit	100,023	37,814
Finance income	5,476	299
Finance cost	(12,093)	(9,218)
Net finance cost	(6,617)	(8,919)
Share of loss of associates and joint ventures	(1,032)	(500)
Profit before income tax	92,374	28,395
Income tax (expense) benefit	(35,927)	1,489
Profit for the period	56,447	29,884
Profit attributable to:		
Shareholders of the Company	56,221	29,115
Non-controlling interests	226	769
Profit for the period	56,447	29,884
Earnings per share		
Basic earnings per share	1.76	0.91
Diluted earnings per share	1.72	0.89

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

<i>In thousands of US dollars</i>	March 31, 2023 Unaudited	December 31, 2022
Assets		
Property, plant and equipment	833,444	797,611
Goodwill and other intangible assets	41,757	41,404
Derivative financial instruments	28,015	33,042
Other investments	46,213	29,324
Deferred tax assets	36,813	37,181
Restricted cash	1,860	5,875
Other assets	9,245	8,612
Total non-current assets	997,347	953,049
Inventories	266,214	277,311
Derivative financial instruments	2,951	3,516
Trade and other receivables	189,983	162,548
Other assets	116,434	121,834
Current tax assets	7,912	7,289
Restricted cash	1,051	1,045
Cash and cash equivalents	359,525	346,043
Total current assets	944,070	919,586
Total assets	1,941,417	1,872,635

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

<i>In thousands of US dollars</i>	March 31, 2023 Unaudited	December 31, 2022
Equity		
Issued capital	853	853
Share premium	553,715	553,715
Treasury shares	(10,730)	(14,685)
Other reserves	(43,449)	(44,869)
Retained earnings (deficit)	60,898	(4,461)
Equity attributable to shareholders of the Company	561,287	490,553
Non-controlling interests	34,376	27,296
Total equity	595,663	517,849
Liabilities		
Loans and borrowings	660,246	661,270
Lease liabilities	44,020	44,224
Employee benefits	118,734	117,160
Provisions	12,512	12,361
Deferred revenue	20,000	20,000
Other liabilities	4,157	15,009
Derivative financial instruments	171	284
Deferred tax liabilities	25,777	27,269
Total non-current liabilities	885,617	897,577
Loans and borrowings	5,948	15,164
Lease liabilities	4,720	4,710
Short-term bank debt	6,853	6,391
Deferred revenue	37,719	28,277
Other liabilities	68,572	69,917
Trade and other payables	231,407	240,101
Derivative financial instruments	4,705	7,746
Advance payments from customers	44,446	51,054
Current tax liability	41,343	23,548
Provisions	14,424	10,301
Total current liabilities	460,137	457,209
Total liabilities	1,345,754	1,354,786
Total equity and liabilities	1,941,417	1,872,635

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

For the quarter ended March 31

In thousands of US dollars

	2023	2022
	Unaudited	Unaudited
Cash from (used in) operating activities		
Profit for the period	56,447	29,884
Adjustments to reconcile net profit to net cash flows:		
Non-cash:		
Income tax expense (benefit)	35,927	(1,489)
Depreciation and amortization	12,967	10,527
Asset impairment reversal	(767)	—
Net finance cost	6,617	8,919
Share of loss of associates and joint ventures	1,032	500
Loss (gain) on sale or disposal of property, plant and equipment	9	(55)
Equity-settled share-based payment transactions	1,469	1,380
Movement in provisions, pensions, and government grants	2,755	(1,685)
Working capital and deferred revenue adjustments	4,905	(41,819)
Cash generated from operating activities	121,361	6,162
Finance costs paid, net	(7,012)	(5,917)
Income tax paid	(20,954)	(3,899)
Net cash from (used in) operating activities	93,395	(3,654)
Cash used in investing activities		
Proceeds from sale of property, plant and equipment	—	59
Acquisition of property, plant and equipment and intangibles	(44,718)	(43,763)
Investments in associates and joint ventures	(17,500)	(500)
Use of restricted cash	4,009	31,295
Interest received on restricted cash	19	9
Capitalized borrowing cost paid	(5,739)	(7,886)
Other	3	8
Net cash used in investing activities	(63,926)	(20,778)

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

	2023	2022
	Unaudited	Unaudited
Cash used in financing activities		
Proceeds from issuance of debt	423	1,835
Repayment of borrowings	(10,750)	(1,718)
Net repurchase of common shares	(6,672)	(1,523)
Payment of lease liabilities	(1,316)	(1,291)
Net cash used in financing activities	(18,315)	(2,697)
Net increase (decrease) in cash and cash equivalents	11,154	(27,129)
Cash and cash equivalents at January 1	346,043	337,877
Effect of exchange rate fluctuations on cash held	2,328	(2,266)
Cash and cash equivalents at March 31	359,525	308,482

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 3,600 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).

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.