



Financials

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Financials

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Financial Review

Amounts in tables in thousands of US dollars

For the year ended December 31	2024	2023
Revenue and expenses		
AMG Lithium revenue	181,561	408,572
AMG Vanadium revenue	629,588	711,238
AMG Technologies revenue	628,707	506,051
Total revenue	1,439,856	1,625,861
Cost of sales	(1,211,831)	(1,236,430)
Gross profit	228,025	389,431
Selling, general and administrative expenses	(183,695)	(178,162)
Other (expense) income, net	(103)	10,483
Operating profit	44,227	221,752

Revenue

Total 2024 revenues for the AMG Group decreased 11% to \$1,440 million from \$1,626 million in 2023 primarily driven by the declines in the market prices of lithium and vanadium. Within the AMG Lithium segment, 2024 revenue decreased by \$227 million, from \$409 million in 2023 to \$182 million. This variance was largely driven by the decline in the market price of lithium versus 2023 as well as a 6% decrease in volume on a full year basis. AMG Vanadium's revenue decreased by \$82 million, or 11%, to \$630 million from \$711 million in 2023 mainly due to lower sales prices across the segment, particularly driven by a decline in the market price of vanadium. AMG Technologies' 2024 revenue increased by \$123 million to \$629 million from \$506 million, or 24% compared to the same period in 2023. This improvement was mainly driven by strong revenues in our engineering unit, as well as higher sales of antimony driven by a 37% increase in the average sales price in 2024. On a full year basis, the engineering business within AMG Technologies signed a record high of \$380 million in new orders during 2024, 9% higher than in 2023, representing a 1.27x book to bill ratio.

Gross profit

AMG's gross profit declined by \$161 million to \$228 million in the year ended December 31, 2024, a 41% decrease. As a percentage of revenue, gross margin decreased from 24% in 2023 to 16% in the current year. The decrease was primarily driven by a \$213 million decline in AMG Lithium's gross margin as a result of the decline in lithium prices noted above. This decline was offset by an increase of \$48 million within AMG Technologies due to higher profitability in every business unit, particularly antimony and graphite. Additionally, the 2023 gross profit of AMG Technologies was negatively impacted by restructuring expenses and asset impairments within the Graphite business which also contributed to the improved gross margin in the current year. AMG Vanadium's 2024 gross margin was consistent with the prior year as declines in the prices of vanadium were offset by the benefits related to the expansion of the US Section 45X credit and strengthening demand in the aerospace end market that benefited the chrome and titanium margins.

Selling, general and administrative expenses

Selling, general and administrative (SG&A) costs were \$184 million in the year ended December 31, 2024, as compared to \$178 million in the year ended December 31, 2023. The increase is primarily related to slightly higher personnel expenses and research and development costs due to increased headcount. The increase in headcount is primarily to support our ongoing expansion projects, namely AMG Lithium's lithium refinery in Bitterfeld, Germany, as well as the development of AMG Technologies' LIVA business. Additionally, we have increased headcount within AMG Technologies to support the increased aerospace end market demand that is driving our record levels of order intake and order backlog. Additionally, there were increased professional fees to support emerging regulatory reporting requirements.

(Loss) profit for the year to adjusted EBITDA reconciliation

For the year ended December 31	2024	2023
(Loss) profit for the year	(25,786)	102,288
Income tax expense	23,409	95,002
Net finance cost	42,835	20,739
Equity-settled share-based payment transactions	6,077	5,799
Restructuring expense	2,844	9,223
Brazil's SP1+ expansion and commissioning	2,074	—
Pension adjustment	—	5,290
Silicon's partial closure	(811)	(1,520)
Inventory cost adjustment	28,607	26,731
Asset impairment (reversal) expense	(1,449)	8,818
Strategic project expense	27,490	19,179
Share of loss of associates	3,769	3,723
Others	466	583
Adjusted EBIT	109,525	295,855
Depreciation and amortization	58,551	54,636
Adjusted EBITDA	168,076	350,491

The Company has presented the performance measure adjusted EBITDA because it monitors this performance measure at a consolidated level, and it believes that this measure is relevant to an understanding of the Company's financial performance. The Company generally applies the definition of adjusted EBITDA that aligns with the provisions of its credit facility. Adjusted EBITDA is not a defined performance measure in IFRS Accounting Standards. The Company's definition of adjusted EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

AMG has achieved an adjusted EBITDA of \$168 million for the full year 2024 compared to \$350 million in 2023. As noted above, the decrease was primarily attributable to the significant decline in lithium prices. Despite this decline, AMG Lithium's low cost position still enabled it to achieve an adjusted EBITDA of \$24 million in 2024 compared to \$237 million in 2023. Additionally, AMG Vanadium's adjusted EBITDA declined 5% from \$81 million in 2023 to \$76 million in 2024 due to a decline in vanadium prices that was partially mitigated by the strength in chrome and titanium earnings, as well as the ongoing benefit of Section 45X, a production credit for domestic manufacturing of critical materials for which AMG Vanadium qualified based on the Inflation Reduction Act of 2022. However, AMG Technologies achieved significantly higher adjusted EBITDA in 2024, which improved from an adjusted EBITDA of \$33 million in 2023 to \$68 million in 2024, largely due to higher profitability in Antimony, Engineering and Graphite.

AMG excluded \$29 million (2023: \$27 million) of non-cash expense that it incurred during 2024 due to exceptional price movements in its lithium and vanadium inventory positions as detailed previously. As a result of these price declines, AMG recorded an inventory cost adjustment for certain balances of lithium hydroxide which the Company had acquired in connection with the commissioning of its lithium refinery in Bitterfeld, Germany as well as certain vanadium inventory that was purchased under a fixed price contract. During 2023, AMG had similar inventory cost adjustments that pertained primarily to just its lithium hydroxide inventory. See note 13 for additional details.

In 2023, AMG recognized \$9 million of restructuring expenses that were primarily related to a program to improve efficiencies and reduce headcount. As a result of this initiative, the Company incurred restructuring expenses within the titanium operations of the AMG Vanadium segment of \$6 million and within the graphite operations of the AMG Technologies segment in the amount of \$2 million. As a result of these restructuring programs, AMG decreased its headcount at those locations. In 2024, AMG incurred an additional \$3 million of expenses related to the finalization of these programs.

Additionally, certain non-core assets were also impacted by the 2023 restructuring program. Asset impairments were recorded due to the retirement of these assets within the AMG Vanadium segment and the AMG Technologies segment in the amount of \$3 million and \$7 million, respectively. In the year ended December 31, 2024, there were no such costs incurred. See notes 9, 10, and 24.

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 year but are not yet operational. During the year ended December 31, 2024, AMG incurred \$27 million of costs related to these strategic projects compared to \$19 million of costs in 2023. The increase in the costs is primarily driven by increased headcount and ramp-up costs as the lithium expansion project in Germany accelerates progress in the current period. AMG is adjusting EBITDA for these exceptional charges.

Operating profit

AMG's operating profit of \$44 million for the year ended December 31, 2024, decreased \$178 million compared to \$222 million reported for the year ended December 31, 2023. The operating profit in 2023 benefited from record earnings in the Lithium business driven by significantly higher lithium prices that prevailed throughout 2023. As a result, AMG Lithium's operating profit decreased \$216 million from \$188 million in 2023 to an operating loss of \$28 million in 2024. The operating loss was primarily related to the lithium refinery in Bitterfeld, Germany, which still incurs personnel and other ancillary costs as it commissions. This decrease was partially offset by AMG Technologies, whose operating profit increased \$41 million from \$7 million in 2023 to \$48 million in 2024. As discussed above, AMG Technologies 2023 operating profit was negatively impacted by the restructuring and asset impairment charges incurred by the Graphite business in 2023. The nonrecurrence of these charges coupled with the positive antimony price development in 2024 and performance in the engineering sales were the primary drivers for the improved result. AMG Vanadium's operating profit decreased slightly from \$27 million in 2023 to \$24 million in 2024 for the reasons noted above.

Net finance cost

The table below sets forth AMG's net finance costs for the years ended December 31, 2024 and 2023. Net finance cost increased \$22 million to \$43 million in 2024 from \$21 million in 2023. This increase is primarily driven by a \$17 million impact from foreign exchange fluctuations. In 2024, a non-cash foreign exchange loss of \$8 million was recognized on intergroup balances and cash holdings, compared to a non-cash foreign exchange gain of \$9 million in 2023 on those same balances. The 2023 foreign exchange gains were driven by a strengthening of the euro relative to the US dollar during that period whereas in 2024 the trend reversed and the euro to US dollar foreign exchange rate weakened, resulting in a loss. The remaining driver for the increase in net finance cost pertains primarily to higher interest expense related to the incremental \$100 million term loan that was executed in April 2024.

For the year ended December 31	2024	2023
Finance income	19,655	28,989
Finance cost	(62,490)	(49,728)
Net finance cost	(42,835)	(20,739)

Income taxes

AMG recorded an income tax expense of \$23 million in 2024, compared to \$95 million in 2023. The decrease in tax expense was primarily driven by lower profitability in 2024. However, tax expense was \$24 million higher than the amount calculated using statutory rates. This increase was due to \$12 million of higher Brazilian deferred tax expense related to the Brazilian Real, as well as \$12 million of net operating loss carryforwards that were disallowed in Germany for our lithium operations.

Net (loss) profit

The Company recorded a net loss attributable to shareholders of \$33 million in the year ended December 31, 2024, as compared to \$101 million net profit in the year ended December 31, 2023. This variance was primarily driven by the \$161 million decline in gross profit, due to the decline in lithium and vanadium prices as discussed above, and an increase in net finance costs of \$22 million, which was driven by foreign exchange losses. These decreases were offset by a \$72 million decrease in tax expense that was primarily due to the lower profitability in 2024.

Equity attributable to shareholders

The Company's equity attributable to shareholders decreased 10% during the year from \$562 million as of December 31, 2023 to \$506 million as of December 31, 2024. This decrease was mainly driven by the net loss attributable to shareholders in the current period combined with the decrease in other reserves as a result of other comprehensive losses recognized directly in equity for foreign currency translation losses. Refer to note 17 for additional details of other reserves.

Working capital

The Company's working capital decreased to \$36 million at December 31, 2024 from \$55 million at December 31, 2023, primarily due to increased advance payments at AMG Technologies driven by higher aerospace demand. This was partially offset by higher inventory levels in AMG Technologies, reflecting rising antimony prices and increased work-in-process on furnace construction projects, as well as greater lithium inventory in AMG Lithium to support the Bitterfeld refinery commissioning.

The table below summarizes the Company's working capital for the years ended December 31, 2024 and 2023.

For the year ended December 31	Note	2024	2023
Inventories	13	304,108	260,945
Prepaid inventory	15	21,673	37,450
Total inventory		325,781	298,395
Trade receivables, net	14	114,458	122,939
Net receivable from contract work	14	45,116	40,674
Total accounts receivable		159,574	163,613
Trade and other payables	26	234,234	259,339
Accrued expenses ¹	25	73,898	72,882
Deferred revenue - current	5	17,323	14,083
Advance payments from customers	5	124,079	60,561
Total liabilities		449,534	406,865
Working capital		35,821	55,143

1) Accrued expenses represents total other current liabilities of \$83 million (2023: \$77 million) less dividends payable to non-controlling interests of \$9 million (2023: \$4 million), which are not deemed to be related to working capital. Refer to note 25.

Liquidity and capital resources

Sources of liquidity

The Company's sources of liquidity include cash and cash equivalents, cash from operations and amounts available under credit facilities. At December 31, 2024, the Company had \$294 million in unrestricted cash and cash equivalents and \$200 million available on its revolving credit facility.

The table below summarizes the Company's net debt for the years ended December 31, 2024 and 2023.

For the year ended December 31	2024	2023
Senior secured debt	431,960	337,402
Cash & cash equivalents	294,254	345,308
Senior secured net debt (cash)	137,706	(7,906)
Other debt	13,124	13,105
Net debt excluding municipal bond	150,830	5,199
Municipal bond debt	318,747	319,002
Restricted cash	1,523	1,451
Net debt	468,054	322,750

The Company was subject to one maintenance debt covenant in its current revolving credit facility. Violating this covenant would limit the Company's access to liquidity. The Company was fully in compliance with this debt covenant as of December 31, 2024. See note 20 of the financial statements for additional information.

The table below summarizes the Company's net cash provided by or used in its operating activities, investing activities and financing activities for the years ended December 31, 2024 and 2023.

For the year ended December 31	2024	2023
Net cash from operating activities	37,515	223,000
Net cash used in investing activities	(147,041)	(185,344)
Net cash from (used in) financing activities	71,594	(41,536)

Cash from operating activities was \$38 million for the year ended December 31, 2024 as compared to \$223 million in 2023. The decrease was largely driven by the decline in the lithium and vanadium prices which negatively impacted operating cash flows. Additionally, 2023's operating cash flows benefited from the proceeds related to the sale of energy supply contracts which did not recur in 2024. These declines were offset by increases in AMG Technologies operating cash flows due to the significant increase in advanced payments as well as the higher profitability related to sales of antimony.

Cash used in investing activities was \$147 million for the year ended December 31, 2024, compared to \$185 million for the year ended December 31, 2023. The decrease was driven by the near completion of the Company's key expansion projects in AMG Lithium.

Cash from financing activities was \$72 million for the year ended December 31, 2024, compared to cash used in financing activities of \$42 million for the year ended December 31, 2023. This variance was mainly driven by proceeds from the \$100 million incremental term loan B that was executed in April 2024.

Outlook

We anticipate maintaining a stable headcount as our expansion projects in Germany and Brazil near completion.

Capital expenditures for 2025 are projected to be approximately \$75 to \$100 million, primarily driven by the completion of the lithium hydroxide plant in Germany, increased tantalum capacity and mine investments in Brazil, as well as targeted growth investments in the Vanadium and Technologies segments.

Our current liquidity is \$494 million and can fully fund all approved capital expansion projects and all other financial obligations. AMG has no significant near-term debt maturities. The \$450 million term loan matures in November 2028, and the \$307 million municipal bond matures in July 2049. Since AMG's undrawn \$200 million revolver matures in November 2026, we will expect to execute a maturity extension on the revolver in 2025 to maintain our liquidity and reduce refinancing risk.

AMG continues to advance its two key lithium expansion initiatives. The lithium concentrate expansion project in Brazil has been completed, and commissioning of Module 1 at our lithium hydroxide refinery in Germany continues to progress as planned.

2025 is off to a strong start, with particularly strong performance across our portfolio including our Antimony, Chrome, Tantalum, Vanadium Aluminum, and Engineering businesses. Therefore, we increase our adjusted EBITDA outlook from "\$130 million, or more, in 2025" to "\$150 million, or more, in 2025."

We are presently updating our 5-year forecast which we traditionally issue at the Annual General Meeting.

Consolidated Income Statement

For the year ended December 31	Note	2024	2023
In thousands of US dollars			
Continuing operations			
Revenue	5	1,439,856	1,625,861
Cost of sales	6	(1,211,831)	(1,236,430)
Gross profit		228,025	389,431
Selling, general and administrative expenses	6	(183,695)	(178,162)
Other expenses		(449)	(313)
Other income		346	10,796
Net other operating (expense) income		(103)	10,483
Operating profit		44,227	221,752
Finance income	7	19,655	28,989
Finance cost	7, 20	(62,490)	(49,728)
Net finance cost	7	(42,835)	(20,739)
Share of loss of associates and joint ventures	11	(3,769)	(3,723)
(Loss) profit before income tax		(2,377)	197,290
Income tax expense	8	(23,409)	(95,002)
(Loss) profit for the year		(25,786)	102,288
(Loss) profit attributable to:			
Shareholders of the Company		(33,351)	101,320
Non-controlling interests	19	7,565	968
(Loss) profit for the year		(25,786)	102,288
(Loss) earnings per share			
Basic (loss) earnings per share	18	(1.03)	3.15
Diluted (loss) earnings per share	18	(1.03)	3.12

The notes are an integral part of these consolidated financial statements.

Consolidated Statement of Other Comprehensive Income

For the year ended December 31	Note	2024	2023
In thousands of US dollars			
(Loss) profit for the year		(25,786)	102,288
Other comprehensive loss			
Items of other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	17	(20,393)	5,675
Cash flow hedges, effective portion of changes in fair value	17	(2,820)	(9,947)
Cash flow hedges reclassified to profit or loss, net of tax	17	(757)	2,121
Cost of hedging reserve, changes in fair value	17	(1,758)	758
Income tax benefit (expense) on cash flow hedges	8	212	(90)
Net decrease on cash flow hedges		(5,123)	(7,158)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		(25,516)	(1,483)
Items of other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations - non-controlling interest		(1,658)	945
Actuarial gains (losses) on defined benefit plans	22	2,170	(11,669)
Income tax (expense) benefit on actuarial gains (losses)	8	(867)	3,240
Net gain (loss) on defined benefit plans		1,303	(8,429)
Change in fair value of equity investments classified as fair value through other comprehensive income	11, 17	8,097	2,397
Net other comprehensive income (loss) not being reclassified to profit or loss in subsequent periods		7,742	(5,087)
Other comprehensive loss for the year, net of tax		(17,774)	(6,570)
Total comprehensive (loss) income for the year, net of tax		(43,560)	95,718
Total comprehensive (loss) income attributable to:			
Shareholders of the Company		(49,419)	93,729
Non-controlling interest		5,859	1,989
Total comprehensive (loss) income for the year, net of tax		(43,560)	95,718

The notes are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at December 31	Note	2024	2023
In thousands of US dollars			
Assets			
Property, plant and equipment	9	961,820	921,178
Goodwill and other intangible assets	10	53,406	40,313
Derivative financial instruments	29	15,521	22,847
Equity-accounted investees	12	38,110	18,266
Other investments	11, 29	46,646	38,160
Deferred tax assets	8	37,500	26,882
Restricted cash	29	493	387
Other assets	15	13,457	12,060
Total non-current assets		1,166,953	1,080,093
Inventories	13	304,108	260,945
Derivative financial instruments	29	4,577	3,397
Trade and other receivables	5, 14	169,908	164,027
Other assets	15	90,334	100,128
Current tax assets	8	6,925	7,845
Restricted cash	29	1,030	1,064
Cash and cash equivalents	16	294,254	345,308
Assets held for sale		1,500	—
Total current assets		872,636	882,714
Total assets		2,039,589	1,962,807

Consolidated Statement of Financial Position

As at December 31	Note	2024	2023
Equity			
Issued capital	17	853	853
Share premium	17	553,715	553,715
Treasury shares	17	(9,084)	(10,593)
Other reserves	17	(67,978)	(52,269)
Retained earnings		28,575	70,077
Equity attributable to shareholders of the Company		506,081	561,783
Non-controlling interests	19	44,070	44,220
Total equity		550,151	606,003
Liabilities			
Loans and borrowings	20	748,202	656,265
Lease liabilities	30	44,580	46,629
Employee benefits	22	124,586	133,333
Provisions	24	18,309	17,951
Deferred revenue	5	8,672	17,836
Other liabilities	25	7,384	4,784
Derivative financial instruments	29	660	27
Deferred tax liabilities	8	20,961	6,664
Total non-current liabilities		973,354	883,489
Loans and borrowings	20	5,194	5,566
Lease liabilities	30	6,212	5,725
Short-term bank debt	21	10,435	7,678
Deferred revenue	5	17,323	14,083
Other liabilities	25	82,711	77,052
Trade and other payables	26	234,234	259,339
Derivative financial instruments	29	3,781	2,828
Advance payments from customers	5	124,079	60,561
Current tax liability	8	21,277	24,279
Provisions	24	10,838	16,204
Total current liabilities		516,084	473,315
Total liabilities		1,489,438	1,356,804
Total equity and liabilities		2,039,589	1,962,807

The notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

In thousands of US dollars	Equity attributable to shareholders of the Company							
	Issued capital	Share premium	Treasury shares	Other reserves	Retained (deficit) earnings	Total	Non-controlling interests	Total equity
	(note 17)		(note 17)	(note 17)			(note 19)	
Balance at January 1, 2023	853	553,715	(14,685)	(44,869)	(4,461)	490,553	27,296	517,849
Foreign currency translation	—	—	—	5,675	—	5,675	945	6,620
Change in fair value of equity investments classified as fair value through other comprehensive income	—	—	—	2,397	—	2,397	—	2,397
(Loss) gain on cash flow hedges, net of tax	—	—	—	(7,164)	—	(7,164)	6	(7,158)
Actuarial (loss) gain, net of tax	—	—	—	(8,499)	—	(8,499)	70	(8,429)
Net (loss) gain recognized through other comprehensive income	—	—	—	(7,591)	—	(7,591)	1,021	(6,570)
Profit for the year	—	—	—	—	101,320	101,320	968	102,288
Total comprehensive (loss) income for the year	—	—	—	(7,591)	101,320	93,729	1,989	95,718
Purchase of common shares	—	—	(6,960)	—	—	(6,960)	—	(6,960)
Equity-settled share-based payments	—	—	—	—	5,799	5,799	—	5,799
Settlement of share-based payment awards	—	—	11,052	—	(10,684)	368	—	368
Transfer to retained earnings	—	—	—	191	(191)	—	—	—
Gain on sale of non-controlling interest	—	—	—	—	18,867	18,867	—	18,867
Change in non-controlling interests	—	—	—	—	(12,361)	(12,361)	17,011	4,650
Dividend	—	—	—	—	(28,212)	(28,212)	(2,076)	(30,288)
Balance at December 31, 2023	853	553,715	(10,593)	(52,269)	70,077	561,783	44,220	606,003
Balance at January 1, 2024	853	553,715	(10,593)	(52,269)	70,077	561,783	44,220	606,003
Foreign currency translation	—	—	—	(20,393)	—	(20,393)	(1,658)	(22,051)
Change in fair value of equity investments classified as fair value through other comprehensive income	—	—	—	8,097	—	8,097	—	8,097
(Loss) gain on cash flow hedges, net of tax	—	—	—	(5,178)	—	(5,178)	55	(5,123)
Actuarial gain (loss), net of tax	—	—	—	1,406	—	1,406	(103)	1,303
Net loss recognized through other comprehensive income	—	—	—	(16,068)	—	(16,068)	(1,706)	(17,774)
(Loss) profit for the year	—	—	—	—	(33,351)	(33,351)	7,565	(25,786)
Total comprehensive (loss) income for the year	—	—	—	(16,068)	(33,351)	(49,419)	5,859	(43,560)
Purchase of common shares	—	—	(686)	—	—	(686)	—	(686)
Equity-settled share-based payments	—	—	—	—	6,077	6,077	—	6,077
Settlement of share-based payment awards	—	—	2,195	—	(1,897)	298	—	298
Transfer to retained earnings	—	—	—	359	(359)	—	—	—
Change in non-controlling interests	—	—	—	—	2,063	2,063	(3,509)	(1,446)
Dividend	—	—	—	—	(14,035)	(14,035)	(2,500)	(16,535)
Balance at December 31, 2024	853	553,715	(9,084)	(67,978)	28,575	506,081	44,070	550,151

The notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended December 31	Note	2024	2023
In thousands of US dollars			
Cash from operating activities			
(Loss) profit for the period		(25,786)	102,288
Adjustments to reconcile net (loss) profit to net cash flows:			
Non-cash:			
Income tax expense	8	23,409	95,002
Depreciation and amortization	9, 10	58,551	54,636
Asset impairment (reversal) expense	9, 10	(1,449)	8,818
Net finance cost	7	42,835	20,739
Share of loss of associates and joint ventures	12	3,769	3,723
Loss on sale or disposal of property, plant and equipment		162	145
Equity-settled share-based payment transactions	23	6,077	5,799
Movement in provisions, pensions, and government grants	22, 24	(3,744)	(2,137)
Working capital, deferred revenue adjustments, and other			
Change in inventories		(34,756)	7,890
Change in trade and other receivables		(6,967)	4,973
Change in prepayments		(21,977)	36,307
Change in trade payables and other liabilities		58,988	27,708
Change in deferred revenue		(5,924)	(16,358)
Other		(4,502)	(2,333)
Cash generated from operating activities		88,686	347,200
Finance costs paid	7	(50,318)	(40,028)
Finance income received	7	17,820	19,000
Income tax paid	8	(18,673)	(103,172)
Net cash from operating activities		37,515	223,000

Consolidated Statement of Cash Flows

For the year ended December 31	Note	2024	2023
Cash used in investing activities			
Proceeds from sale of property, plant and equipment		161	39
Acquisition of property, plant and equipment and intangibles	9, 10	(107,663)	(153,377)
Investments in associates and joint ventures	12	(23,613)	(21,989)
Change in restricted cash		(72)	5,469
Interest received on restricted cash		—	30
Capitalized borrowing cost paid	9	(15,815)	(15,519)
Other		(39)	3
Net cash used in investing activities		(147,041)	(185,344)
Cash from (used in) financing activities			
Proceeds from issuance of debt	20	103,119	1,395
Payment of transaction costs related to debt	20	(2,483)	—
Repayment of loans and borrowings	20, 21	(6,769)	(15,995)
Net repurchase of common shares	17	(688)	(6,960)
Dividends paid to shareholders	17	(14,035)	(28,212)
Dividends paid to non-controlling interest	17	(1,037)	—
Payment of lease liabilities	30	(6,513)	(5,764)
Contributions by non-controlling interests		—	14,000
Net cash from (used in) financing activities		71,594	(41,536)
Net decrease in cash and cash equivalents		(37,932)	(3,880)
Cash and cash equivalents at Cash and cash equivalents at January 1		345,308	346,043
Effect of exchange rate fluctuations on cash held		(13,122)	3,145
Cash and cash equivalents at Cash and cash equivalents at December 31	16	294,254	345,308

The notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. Reporting entity

The consolidated financial statements of AMG Critical Materials N.V. (herein referred to as “the Company”, “AMG NV” or “AMG”) for the year ended December 31, 2024, were authorized for issuance in accordance with a resolution of the Supervisory Board on March 12, 2025.

AMG is domiciled in the Netherlands. The address of the Company’s registered office is WTC Amsterdam, Tower 7, Strawinskylaan 1343, 1077 XX Amsterdam. The consolidated financial statements of the Company as of and for the year ended December 31, 2024, comprise the Company and the companies that comprise its subsidiaries (together referred to as the “Group”) and the Company’s interest in associates and jointly controlled entities.

AMG was incorporated in the Netherlands as a public limited liability company and its outstanding shares are listed on Euronext, Amsterdam, the Netherlands.

No entities in which the Company has less than a 50% interest are consolidated in the Company’s financial statements.

The following table includes all material operating entities in which AMG has an ownership interest. The Company has filed on February 5, 2025 a complete list of entities in which AMG has an ownership interest with the Amsterdam Chamber of Commerce.

Name	Country of incorporation	Percentage held (directly or indirectly) by the Company	
		December 31, 2024	December 31, 2023
ALD Thermal Treatment, Inc.	United States	100	100
ALD Tratamientos Termicos S.A. de C.V.	Mexico	100	100
ALD Vacuum Technologies GmbH	Germany	100	100
AMG Aluminum UK Limited	United Kingdom	100	100
AMG Brazil S.A.	Brazil	100	100
AMG Vanadium LLC	United States	100	100
AMG Lithium GmbH	Germany	100	100
GfE Gesellschaft für Elektrometallurgie GmbH	Germany	100	100
GfE Metalle und Materialien GmbH	Germany	100	100
Graphit Kropfmühl GmbH	Germany	60	60
AMG Aluminum North America, LLC	United States	100	100
AMG Chrome Limited	United Kingdom	100	100
RW Silicium GmbH	Germany	100	100
Société Industrielle et Chimique de l’Aisne S.A.S.	France	100	100
VACUHEAT GmbH	Germany	100	100

ALD Vacuum Technologies GmbH and VACUHEAT GmbH intend to exercise the exemption of Sec. 264 (3) HGB “Handelsgesetzbuch”.

As of December 31, 2024, there were 3,651 employees at the Company (2023: 3,567). There were 5 employees located in the Netherlands as of December 31, 2024 (2023: 3). All other employees are located outside the Netherlands.

2. Basis of preparation

1. Statement of compliance

EU law (IAS Regulation EC 1606/2002) requires that the annual consolidated financial statements of the Company for the year ending December 31, 2024, be prepared in accordance with accounting standards adopted and endorsed by the European Union ("EU") further to the IAS Regulation (EC 1606/2002) (further referred to as "IFRS, as endorsed by the EU").

The consolidated financial statements of AMG NV and its subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS") as of December 31, 2024, as endorsed by the EU and article 2.362.9 of the Netherlands Civil Code.

2. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date. The methods used to measure fair values are discussed further in note 3.

Derivative financial instruments	Fair value
Non-derivative financial instruments at fair value through profit or loss	Fair value
Non-derivative financial instruments, including restricted cash, at fair value through other comprehensive income	Fair value
Net defined benefit (asset) liability	Fair value of plan assets less the present value of the defined benefit obligation, limited as explained in note 3

3. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. This includes overseeing all significant fair value measurements, including Level 3 fair values.

The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's audit committee.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- note 11 – measurement of other investments
- note 23 – share-based payments
- note 29 – measurement of financial instruments

4. Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Key uses of judgments

Information related to critical judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the Company's consolidated financial statements are included in the following notes:

- notes 3 and 5 – Revenue from contracts with customers: determination of revenue recognition from furnace construction contracts
- notes 3 and 12 - other investments: whether the Company has significant influence over an equity-accounted investee
- notes 3 and 30 – Leases: determination of the lease term for some lease contracts which include renewal options

Assumptions and estimation uncertainty

Information about assumptions and estimation uncertainties that may have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- note 8 – Income tax: recognition of income taxes and deferred tax assets
- note 9 – Property, plant and equipment: determination of useful lives of mining-related assets
- note 10 – Goodwill and other intangible assets: measurement of the recoverable amounts of assets and cash-generating units for purposes of impairment testing
- note 11 – Other investments; the assumptions and model used to determine fair value
- note 22 – Employee benefits: measurement of plan obligations and actuarial assumptions
- note 23 – Share-based payments: the assumptions and model used to determine fair value
- note 24 – Provisions: determination of amounts recorded based on expected payments and any regulatory framework
- note 29 – Financial instruments: fair value determination based on present value of future cash flows
- note 32 - Contingencies: recognition and measurement of contingencies and judgments about the likelihood and magnitude of potential resource outflows

3. Material accounting topics

These consolidated financial statements as of December 31, 2024, present the consolidated financial position, results of operations and cash flows of the Company and its subsidiaries. The Company has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

1. Basis of consolidation

(a) Business combinations

The Company accounts for business combinations using the acquisition method once control is gained by the Company. Consideration transferred and separately identifiable net assets acquired in the acquisition are measured at fair value. Consideration transferred does not include amounts related to the settlement of pre-existing relationships, which are recognized in profit or loss. Any goodwill that arises is tested annually for impairment. In the event of a bargain purchase, any gain is recognized in the income statement immediately. Transaction costs are expensed as incurred, unless related to the issuance of debt or equity securities.

Contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration meets the definition of a financial instrument classified as equity, then it is not remeasured, and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date, with subsequent changes in the fair value of the contingency being recognized through profit or loss.

(b) Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(c) Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(d) Loss of control

When the Company loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(e) Interests in equity-accounted investees

The Company's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Company has joint control, whereby the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognized at cost, including transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Company's share of the profit or loss and OCI of equity-accounted investees in accordance with the Company's accounting policies, until the date on which significant influence or joint control ceases.

(f) Transactions eliminated on consolidation

Intergroup balances and transactions, and any unrealized income and expenses arising from intergroup transactions, are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated similarly, to the extent there is no evidence of impairment.

2. Foreign currency

(a) Functional and presentation currency

These consolidated financial statements are presented in US dollars (\$), which is the Company's functional and presentation currency.

All financial information is presented in US dollars and has been rounded to the nearest thousand, unless otherwise stated.

The local currency is the functional currency for the Company's significant operations outside the United States (US), except operations in the UK and Brazil, where the US dollar is used as the functional currency. The determination of functional currency is based on appropriate economic and management indicators.

(b) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Company's entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences arising from the translation of monetary assets and liabilities denominated in a foreign currency are recognized in profit or loss.

Foreign currency differences arising from the translation of the following items are recognized in other comprehensive income:

- Equity investments classified as fair value through other comprehensive income (except on impairment, in which case foreign currency differences that have been recognized in other comprehensive income are reclassified to profit or loss);
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- Qualifying cash flow hedges to the extent that the hedges are effective.

(c) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to US dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to US dollars at the average exchange rates calculated at the reporting date.

Foreign currency differences arising from the translation of foreign operations are recognized in other comprehensive income and accumulated in the foreign currency translation reserve, except to the extent that the translation difference is allocated to non-controlling interest. When a foreign operation is disposed of, in its entirety or partially such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Company disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Company disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

3. Revenue from contracts with customers

(a) Goods sold

The Company's contracts for goods sold typically contain a single performance obligation. The timing of when a customer obtains control over goods sold varies depending on the individual terms of the sales agreement. In satisfying the Company's performance obligation to its customers, transfer of control typically occurs when title and risk of loss pass to the customer. In the case of export sales, control of the goods sold may pass when the product reaches a foreign port. Invoices are generally issued according to contractual terms and are usually payable within 30-90 days. The transaction price of goods sold is typically based on contractual terms or market pricing and is not subject to variable consideration.

(b) Furnace construction contracts

Furnace construction contract revenue results from the design, engineering and construction of advanced vacuum furnace systems in the AMG Technologies segment. These furnaces are constructed based on specifically negotiated contracts with customers. Contract revenues includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. Invoices are generally issued according to contractual terms and are usually payable within 30-90 days.

The performance obligations in the Company's furnace construction contracts are mainly recognized over time. The Company's furnace construction contracts require the Company to develop highly specialized assets that meet the customer's specific needs. The assets do not have an alternative use to the Company, and the Company has a legal right to payment for its services rendered to date for all furnace construction arrangements. The Company recognizes contract revenue over time in proportion to the stage of completion of the contract. The stage of completion is assessed with reference to costs incurred to date and estimated total cost. Otherwise, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Contract expenses are recognized as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognized immediately in profit or loss.

Amounts expected to be collected from customers for contract work performed is measured at costs incurred plus profits recognized to date, less progress billings and recognized losses.

In the statement of financial position, construction contracts in progress for which costs incurred plus recognized profits exceed progress billings and recognized losses are presented as trade and other receivables. Contracts for which progress billings and recognized losses exceed costs incurred plus recognized profits are presented as deferred revenues and included with advanced payments.

(c) Heat treatment services

The Company offers heat treatment services on a tolling basis using its internally developed furnace and process technology that is owned and operated by the AMG Technologies segment. The Company's performance obligations under these tolling contracts require the Company to apply this technology to the customer's materials at a contractually agreed upon cost per unit. The Company recognizes revenues for heat treatment services completed to date that the Company has a contractual right to invoice its customers for the related services.

(d) Processing services

Within the AMG Vanadium segment, the Company performs services to convert spent refinery catalyst and other vanadium-bearing residues into ferrovandium and a ferronickel-molybdenum alloy. These metals are reclaimed from spent catalyst using the Company's proprietary roasting and pyrometallurgical processes. The reclaimed metals are then sold to the carbon and stainless-steel industries. The Company's performance obligations under these contracts require the Company to process the materials and reclaim the metals at a contractually agreed upon cost per unit. The Company recognizes revenues at a point in time for processing services completed to date to the extent that the Company has a contractual right to invoice its customers for the related services. Processing fees can be subject to adjustments based on the market prices of the reclaimed metals for a period up to three months after roasting. To account for this potential volatility in the processing fee revenue, the Company defers a portion of its processing fee revenue until the uncertainty related to the metal prices is resolved in accordance with the variable consideration policy noted below. The deferral is determined taking into account the historical volatility of the metal prices relative to the market price at the reporting date.

(e) Commissions

If the Company acts in the capacity of an agent rather than as the principal in a transaction, then the revenue recognized is the net amount of commission made by the Company.

(f) Warranty obligations

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are not considered to be separate performance obligations and are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets as described in our accounting policy for provisions.

(g) Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for providing services or for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

4. Finance income and cost

Finance income comprises interest income on funds invested, changes in the discount on provisions, foreign currency gains and gains on derivatives and hedging instruments. Interest income is recognized as it is earned, using the effective interest method.

Finance cost comprises interest expense on borrowings and interest rate caps and swaps, amendment fees on borrowings, amortization of loan issuance costs, interest expense on lease liabilities, commitment fees on borrowings, changes in the discount on provisions, interest on tax liabilities, foreign currency losses, losses on derivatives and hedging instruments, fees for letters of credit/guarantees, interest for accounts receivable factoring or supply chain financing and any loss recorded on debt extinguishment. All transaction costs are recognized in profit or loss using the effective interest method when the costs are related to actual borrowings on the facility or using the straight-line method when they are related to the revolving credit facility.

5. Income tax expense

Income tax expense comprises current and deferred tax.

It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Interest and penalties related to income taxes, including uncertain tax treatments, are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The Company has determined that the global minimum top-up tax - which it is required to pay under Pillar Two legislation - is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

(a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if allowable in the related tax jurisdiction.

(b) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Company and the reversal of temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset generally when they arise in the same tax jurisdiction.

(c) Sales and other taxes

Revenues, expenses and assets are recognized net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognized.

6. Government grants

Grants that compensate the Group for expenses incurred are recognized in profit or loss as a reduction of the relevant expense on a systematic basis in the periods in which the expenses are recognized, unless the condition for receiving the grant are met after the related expenses have been recognized. In this case, the grant is recognized when it becomes receivable. For grants related to the construction of an asset, the Group recognizes the grant proceeds as a reduction in the value of the asset once all conditions of the grant are satisfied.

7. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets: Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price as disclosed in section (c) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes trade receivables.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify its other investments (note 11) under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in profit or loss.

This category includes the Company's derivative instruments that have not been designated for hedge accounting.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category. The Company does not currently have any embedded derivatives that are accounted for separately from the host.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's consolidated statement of financial position) when the rights to receive cash flows from the asset have expired or when the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement. In order for a pass-through arrangement to qualify for derecognition, the Company must have transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment

The Company recognizes an allowance for expected credit losses ("ECL's") for all debt instruments not held at fair value through profit or loss. ECL's are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL's are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL's are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECL's. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL's at each reporting date. The Company has established an allowance matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Company. A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

(b) Financial liabilities: Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings, short-term bank debt and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortized cost (loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included as finance costs in the income statement.

This category generally applies to interest-bearing loans and borrowings (note 20) and short-term bank debt (note 21).

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(d) Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts, energy forward contracts, interest rate caps and swaps and forward commodity contracts, to hedge its foreign currency risks, energy price risks, interest rate risks and commodity price risks, respectively. Derivative instruments, which include physical contracts that do not meet the own use exemption, are initially recognized at fair value when the Company becomes a party to the contractual provisions of the instrument and are subsequently remeasured to fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company designates derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates, energy prices, commodity prices and interest rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the hedging reserve. The effective portion of changes in fair value of the derivative that is recognized in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

The Company designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts is separately accounted for as a cost of hedging and recognized in a cost of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognized.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

8. Share capital

(a) Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

(b) Repurchase and reissue of ordinary shares (treasury shares)

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented within share premium.

9. Employee benefits

(a) Short-term benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) Share-based payment transactions

The grant date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with market and non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(c) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(d) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(e) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

(f) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

10. Property, plant and equipment**(a) Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

Costs associated with developing mine reserves are recognized in property, plant and equipment when they are established as commercially viable. These costs can include amounts that were previously recognized as intangible assets during the evaluation phase of the mine development.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(b) Subsequent expenditures

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(c) Depreciation

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in the income statement. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Mining costs	4-20 years
Buildings and improvements	2-50 years
Machinery and equipment	2-25 years
Furniture and fixtures	2-15 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The depreciation of mining costs is linked to production levels. Therefore, these assets are amortized using a units of production basis. The Company's mine in Brazil is currently the only mine asset being depreciated using this basis and approximates an 17-year remaining life of the mine based on updated geology studies. Other mining assets are depreciated on a straight-line basis ranging from 4-20 years, depending on useful life.

11. Goodwill and other intangible assets

(a) Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

(b) Research and development

Expenditure on research activities is recognized in profit or loss when incurred.

Development expenditures are capitalized if and only if the following criteria are met:

- the expenditure can be measured reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the Company intends to and has sufficient resources to complete development and to use or sell the asset.

Research and development costs that do not qualify as assets are shown within selling, general and administrative expenses in the income statement. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

(c) Mining assets

Mining assets which are included in intangible assets include exploration, evaluation and development expenditures. See material accounting topics section (k) for additional information on the accounting for mining assets.

(d) Other intangible assets

Other intangible assets, including software, customer relationships, patents and trademarks that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(e) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognized in the income statement as incurred.

(f) Amortization

Amortization is calculated to write-off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Goodwill is not amortized. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The estimated useful lives for current and comparative periods are based on expected futures sales for the related asset and are as follows:

Customer relationships	5-15 years
Development costs	8-20 years
Machinery and equipment	9-12 years
Mining assets	2-20 years

12. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is determined based on the average cost and specific identification methods, and includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of finished goods inventory and work in process, cost includes materials and labor as well as an appropriate share of production overhead based on normal operating capacity. The Company invests in various growth projects which can include new facilities, technologies or production processes. The Company purchases inventory during the commissioning of these facilities and processes. In some cases, the Company does not have any prior experience in producing the ultimate end product and lacks the historical experience to accurately assess an appropriate net realizable value. In such situations, the Company assesses the cost of the inventory against prevailing market prices. To the extent that the market prices of such inventory exceed the carrying value of inventories, the Company measures the inventory at the lower of the cost or prevailing market prices.

13. Mining assets

(a) Exploration, evaluation and development expenditures

Exploration and evaluation expenditures relate to costs incurred on the exploration and evaluation of potential mineral resources. These costs are recorded as intangible assets while exploration is in progress. When commercially recoverable reserves are determined, and such development receives the appropriate approvals, capitalized exploration and evaluation expenditures are transferred to construction in progress. Upon completion of development and commencement of production, capitalized development costs as well as exploration and evaluation expenditures are transferred to mining assets in property, plant and equipment and depreciated over their estimated useful life.

(b) Deferred stripping costs

The Company is following IFRIC 20 for all surface mine accounting. The Interpretation only applies to stripping costs incurred during the production phase of a surface mine (production stripping costs). Costs incurred in undertaking stripping activities are considered to create two possible benefits: a) the production of inventory in the current period and/or b) improved access to ore to be mined in a future period. Where the benefits are realized in the form of inventory produced, the production stripping costs are to be accounted for in accordance with IAS 2. Where the benefit is improved access to ore that will be mined in the future, these costs are to be recognized as a non-current asset.

Production stripping costs are capitalized as part of an asset when the Company can demonstrate: a) it is probable that future economic benefit associated with the stripping activity will flow to the entity; b) the entity can identify the component of an ore body for which access has been improved; and c) the costs can be reliably measured. These costs are amortized over the life of the component ore body identified.

14. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment and lease liabilities are presented as a separate line item in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

15. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units. Goodwill arising from a business combination is allocated to cash generating units or groups of cash generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of an asset or cash generating unit exceeds its recoverable amount.

Impairment losses are recognized in the income statement. They are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit, and then to reduce the carrying amounts of the other assets in the cash generating unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

16. Provisions

Provisions are recognized when:

- the Company has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made for the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(a) Environmental remediation costs and recoveries

Several subsidiaries of the Company are faced with a number of issues relating to environmental clean-up requirements, largely resulting from historical solid and hazardous waste handling and disposal practices at their facilities. In accordance with the Company's environmental policy and applicable legal requirements, provisions associated with environmental remediation obligations are accrued when such losses are deemed probable and reasonably estimable. Such accruals generally are recognized no later than the completion of the remedial feasibility study and are adjusted as further information develops or circumstances change.

A provision is made for shutdown, restoration and environmental rehabilitation costs in the financial period when the related environmental disturbance occurs, based on the estimated future costs using information available at the reporting date. The provision is discounted using a current market-based pre-tax discount rate and any change in the discount is included in finance cost. The provision is reviewed on an annual basis for changes to obligations, legislation or discount rates that may lead to changes in cost estimates or the expected timeline for payments.

Where the Company expects some or all of an environmental provision to be reimbursed, for example using a trust account, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. The subsidiaries of the Company have been required, in several instances, to create trust funds for the environmental rehabilitation. Once established, the subsidiaries have a 100% interest in these funds. Rehabilitation and restoration trust funds holding monies committed for use in satisfying environmental obligations are included on a discounted basis within other non-current assets on the statement of financial position, only to the extent that a liability exists for these obligations.

Environmental expense recoveries are generally recognized in profit or loss upon final settlement with the Company's insurance carriers.

Additional environmental remediation costs and provisions may be required if the Company were to decide to close its sites. Several of the Company's restructuring programs have involved closure of sites. Remediation liabilities are recognized when the site closure has been announced. In the opinion of the Company, it is not possible to estimate reliably the costs that would be incurred on the eventual closure of its continuing sites, where there is no present obligation to remediate, because it is neither possible to determine a time limit beyond which the sites will no longer be operated, nor what remediation costs may be required on their eventual closure.

(b) Restructuring

A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Provisions are not made for future operating costs. The timing of recording of portions of the restructuring provision is dependent on receiving social plan approval generally in European jurisdictions which require external approval. Changes in the estimate of costs related to restructuring plans are included in profit or loss in the period when the change is identified.

(c) Warranty

A provision for warranty is recognized when the Company has determined that it has a basis for recording a warranty provision based on historical returns for warranty work. The estimate of warranty-related costs is updated and revised at each reporting date.

(d) Partial retirement

The collective agreements for retirement indemnities on our French subsidiary and the corresponding commitments are updated and revised at each reporting date.

(e) Cost estimates

As part of its process to provide reliable estimations of profitability for long-term contracts, the Company makes provisions for cost estimates for completed contracts. These provisions are developed on a contract by contract basis and are based on contractor estimates and are utilized or derecognized depending on actual performance of the contracts. The cost estimates are updated and revised at each reporting date.

(f) Restoration, rehabilitation and decommissioning costs

Restoration, rehabilitation and decommissioning costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the time such an obligation arises. The costs are charged to the income statement over the life of the operation through depreciation of the asset and the unwinding of the discount on the provision.

Mine rehabilitation costs will be incurred by the Company at the end of the operating life of some of the Company's facilities and mine properties. The Company assesses its mine rehabilitation provision at each reporting date. The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates, and changes in discount rates. The provision recorded at each reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

Costs for restoration of subsequent site disturbance, which is created on an ongoing basis during production, are provided for at their net present values and charged to the income statement as extraction progresses.

17. New and amended standards and interpretations

The following new standards became effective for annual periods beginning on January 1, 2024; however, these amended standards and interpretations did not have a significant impact on the Company's consolidated financial statements.

- Non-current Liabilities with Covenants - Amendments to IAS 1 and Classification of Liabilities as Current or Non-current - Amendments to IAS 1.
- Lease liability in a Sale and Leaseback - Amendments to IFRS 16
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

18. Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after January 1, 2024 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these consolidated financial statements. The following amended standards and interpretations are not expected to have a significant impact on the Company's consolidated financial statements.

- Lack of Exchangeability - Amendments to IAS 21
- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7
- Annual Improvements to IFRS Accounting Standards - Volume 11
- IFRS 18 Presentation and Disclosure in the Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Sale of Contribution of Assets between and Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28

4. Segment reporting

Effective January 1, 2024, the Company amended its organization structure resulting in three new reporting segments: AMG Lithium, AMG Vanadium and AMG Engineering. AMG Lithium is comprised of the Lithium and Tantalum business units. AMG Vanadium is comprised of the Vanadium, Titanium, and Chrome Metal business units. AMG Technologies is comprised of the Engineering, Antimony, Graphite, Silicon, and LIVA business units. These new segments have very specific trends and business models and require very different management skill sets. The updated structure enables the Company to realize strategic, operational, and risk management synergies that improve decision making, as well as strengthen the resiliency of the organization. Comparative segment information to the prior year is adjusted accordingly.

The Management Board of the Company is the Chief Operating Decision Maker and monitors the operating results of its reportable segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. The Company's headquarters costs, financing (including finance cost and finance income) and assets are managed on a group basis and are allocated to operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

AMG Lithium

AMG's Lithium segment spans the lithium value chain, reducing the CO₂ footprint of both suppliers and customers. AMG Lithium BV is on its way to becoming the premier European lithium refiner based on its own low-cost resources in Brazil, and operates a value chain starting with mining and including solid state lithium batteries in Germany.

AMG Vanadium

AMG's Vanadium segment is the world's market leader in recycling vanadium from oil refining residues. It is the only US ferrovanadium producer and is expanding in the Middle East with the Supercenter project in the Kingdom of Saudi Arabia, through Shell & AMG Recycling BV. AMG Vanadium BV spans the Company's vanadium, titanium, and chrome businesses.

AMG Technologies

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.

AMG Corporate headquarters costs and assets are allocated thirty-four percent to AMG Lithium, thirty-three percent to AMG Vanadium, and thirty-three percent to AMG Technologies in 2024 and 2023 based on an estimation of services provided to the operating segments.

Year ended December 31, 2024	AMG Lithium	AMG Vanadium	AMG Technologies	Eliminations ¹	Total
Revenue					
Revenue from external customers	181,561	629,588	628,707	—	1,439,856
Intersegment revenue	9,481	1,660	4,391	(15,532)	—
Total revenue (ESRS 2 SBM1, 40(b, c))	191,042	631,248	633,098	(15,532)	1,439,856
Segment results					
Depreciation and amortization	12,954	32,400	13,197	—	58,551
Restructuring	—	2,562	282	—	2,844
Asset impairment reversal	—	—	(1,449)	—	(1,449)
Inventory adjustments	14,836	13,771	—	—	28,607
Other expenses	—	(449)	—	—	(449)
Other income	—	243	103	—	346
Operating (loss) profit	(28,230)	24,461	47,996	—	44,227
Statement of financial position					
Segment assets	571,498	865,706	555,739	—	1,992,943
Other investments	223	46,206	217	—	46,646
Total assets	571,721	911,912	555,956	—	2,039,589
Segment liabilities	192,754	713,920	429,031	—	1,335,705
Employee benefits	1,905	41,956	80,725	—	124,586
Provisions	8,506	4,569	16,072	—	29,147
Total liabilities	203,165	760,445	525,828	—	1,489,438
Other information					
Capital expenditures for expansion – tangible assets	61,852	24,286	1,612	—	87,750
Capital expenditures for maintenance – tangible assets	6,769	13,852	4,260	—	24,881
Capital expenditures – intangible assets	83	7,487	3,277	—	10,847

1) Eliminations column includes intersegment trade eliminations. The intersegment revenue eliminates against the intersegment cost of sales.

Year ended December 31, 2023	AMG Lithium	AMG Vanadium	AMG Technologies	Eliminations ¹	Total
Revenue					
Revenue from external customers	408,572	711,238	506,051	—	1,625,861
Intersegment revenue	21,083	246	3,309	(24,638)	—
Total revenue	429,655	711,484	509,360	(24,638)	1,625,861
Segment results					
Depreciation and amortization	10,359	30,431	13,846	—	54,636
Restructuring	—	6,836	2,387	—	9,223
Asset impairment expense	243	6,743	1,832	—	8,818
Inventory adjustments	24,192	—	2,539	—	26,731
Other expenses	—	(313)	—	—	(313)
Other income	—	10,249	547	—	10,796
Operating profit	187,782	26,949	7,021	—	221,752
Statement of financial position					
Segment assets	520,990	870,823	532,834	—	1,924,647
Other investments	—	38,160	—	—	38,160
Total assets	520,990	908,983	532,834	—	1,962,807
Segment liabilities	173,267	674,428	341,618	3	1,189,316
Employee benefits	1,719	47,047	84,567	—	133,333
Provisions	8,217	7,576	18,362	—	34,155
Total liabilities	183,203	729,051	444,547	3	1,356,804
Other information					
Capital expenditures for expansion – tangible assets	107,606	33,637	147	—	141,390
Capital expenditures for maintenance – tangible assets	8,497	12,107	3,599	—	24,203
Capital expenditures – intangible assets	203	345	2,725	—	3,273

1) Eliminations column includes intersegment trade eliminations. The intersegment revenue eliminates against the intersegment cost of sales.

Geographical information

Geographical information for the Company is provided below. Revenues are based on the shipping location of the customer while non-current assets are based on the physical location of the assets.

	Year ended December 31, 2024		Year ended December 31, 2023	
	Revenues	Non-current assets	Revenues	Non-current assets
United States	442,720	409,887	450,141	409,271
China	193,195	18,842	423,012	20,562
Germany	164,261	357,544	139,896	319,026
France	87,820	15,275	84,851	17,373
Italy	58,966	—	47,786	—
Brazil	56,766	194,720	59,065	178,714
United Kingdom	50,946	22,446	56,609	20,964
Japan	49,033	7	45,644	13
Canada	38,699	—	44,554	—
India	34,754	38	38,748	77
Austria	31,359	—	21,621	—
Mexico	20,117	3,195	22,213	3,556
Belgium	17,691	167	16,212	23
Poland	15,371	—	13,576	—
Switzerland	14,120	11	5,341	11
Turkey	14,057	—	7,322	—
Spain	13,727	—	8,494	—
Thailand	12,759	92	26,425	122
Sweden	12,048	—	8,019	—
Czech Republic	11,705	—	9,902	—
Netherlands	11,607	—	8,366	—
South Korea	10,391	—	11,999	—
Australia	7,018	—	4,718	—
Taiwan	5,758	—	7,494	—
Kazakhstan	4,852	—	7,525	—
Argentina	3,075	—	2,036	—
Singapore	2,244	—	2,664	—
Other	54,797	6,459	51,627	3,839
Total	1,439,856	1,028,683	1,625,861	973,551

Non-current assets for this purpose consist of property, plant and equipment; goodwill and other intangible assets; and other assets.

5. Revenue

Revenue from sales of goods, furnace construction contracts, heat treatment services and processing services during the year ended December 31, 2024 was \$1,439,856 (2023: \$1,625,861). Within the revenue generated by the Company, there is no contribution from a single customer greater than 6% of total revenue. For revenue by segment and by geographical basis, see note 4.

The following tables show the Company's total revenues disaggregated based on the timing of revenue recognition:

Year ended December 31, 2024	AMG Lithium	AMG Vanadium	AMG Technologies	Total
Products transferred at a point in time	181,561	629,588	415,578	1,226,727
Products and services transferred over time	—	—	213,129	213,129
Total revenue	181,561	629,588	628,707	1,439,856

Year ended December 31, 2023	AMG Lithium	AMG Vanadium	AMG Technologies	Total
Products transferred at a point in time	408,572	711,238	308,752	1,428,562
Products and services transferred over time	—	—	197,299	197,299
Total revenue	408,572	711,238	506,051	1,625,861

Contract balances

The following table provides information about receivables, contract assets, and contract liabilities from contracts with customers:

	2024	2023
Trade receivables, net of allowance for doubtful accounts	124,683	122,939
Gross amount due from customers for contract work (note 14)	45,116	40,674
Advanced payments from customers	124,079	60,561
Deferred revenue	25,995	31,919

The amounts due from customers for contract work primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date for furnace construction contracts. These contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer.

The contract liabilities primarily relate to the advance consideration received from customers. The advanced payments from customers above pertains to consideration received for furnace construction contracts. The remaining contract liabilities pertain to prepayments received from customers for spodumene sale contracts, spent catalyst processing fee contracts, and titanium aluminide contracts and are included in the deferred revenue balance.

The amount of \$105,113 (2023: \$92,661) included in contract liabilities as of December 31, 2023 has been recognized as revenue in 2024. The amount of revenues recognized during the year that pertained to performance obligations that were satisfied in a previous year is \$7,969 (2023: \$4,010).

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as of December 31, 2024 and 2023 are as follows:

	2024	2023
Within one year	149,117	121,008
Within two years	35,637	16,023
Within three years	3,119	19,292

6. Expenses by nature

	Note	2024	2023
Raw materials and consumables		696,985	722,293
Employee benefits		281,224	279,060
Raw material processing and conversion costs		246,022	239,806
Depreciation and amortization	9, 10	58,551	54,636
Maintenance		36,829	35,350
Consultancy		34,486	34,099
Asset impairment (reversal) expense	9, 10	(1,449)	8,818
Other		42,878	40,530
Total cost of sales and selling, general and administrative expenses		1,395,526	1,414,592

Included within the balance of employee benefits is \$210,996 (2023: \$206,663) of wages and salaries, \$42,991 (2023: \$41,818) pertaining to social security contributions and defined contribution plan expenses of \$5,259 (2023: \$4,818).

7. Finance income and cost

	Note	2024	2023
Finance income on derivatives	28, 29	13,496	12,683
Interest income on bank deposits		4,954	7,324
Other		1,205	211
Foreign exchange gain		—	8,771
Finance income		19,655	28,989
Interest expense on loans, borrowings and related derivative instruments	20, 29	(24,277)	(20,625)
Municipal bond interest	20	(15,106)	(15,086)
Interest expense on accounts receivable factoring	14	(4,462)	(2,990)
Interest paid to suppliers		(3,293)	(2,769)
Other		(7,238)	(8,258)
Foreign exchange loss		(8,114)	—
Finance cost		(62,490)	(49,728)
Net finance cost		(42,835)	(20,739)

8. Income tax

Significant components of income tax expense for the years ended:

Consolidated income statement

	2024	2023
Current tax expense:		
Current year	21,580	101,967
Adjustment for prior year	(262)	(77)
Total current tax expense for the year	21,318	101,890
Deferred tax expense (benefit)		
Origination and reversal of temporary differences	(10,243)	(20,641)
Changes in previously unrecognized tax losses, tax credits and unrecognized temporary differences	(2,505)	(456)
Changes in previously recognized tax losses, tax credits and recognized temporary differences for changes in enacted tax rates and currency effects	14,565	(445)
Derecognition of previously recognized tax losses, tax credits and temporary differences	(313)	14,715
Adjustment for prior year	587	(61)
Total deferred tax expense (benefit)	2,091	(6,888)
Total income tax expense reported in consolidated income statement	23,409	95,002

Consolidated Statement of Other Comprehensive Income

Income tax related to items recognized in OCI in the year:		
Cash flow hedges, effective portion of changes in fair value	212	(90)
Income tax (expense) benefit on actuarial gains (losses)	(867)	3,240
Income tax benefit (expense) charged to OCI	(655)	3,150

Reconciliation of effective tax rate

A reconciliation of income tax expense applicable to accounting profit before income tax at the weighted average statutory income tax rate of 70.47% (2023: 33.39%) to the Company's effective income tax rate for the years ended is as follows:

	2024	2023
(Loss) profit before income tax from continuing operations	(2,377)	197,290
Income tax using the Company's weighted average tax rate	(1,675)	65,868
Non-deductible expenses	4,679	7,595
Tax exempt income	(11,683)	(9,448)
Current year losses and changes in temporary differences for which no deferred tax asset was recognized	20,044	13,461
Recognition of previously unrecognized tax losses, tax credits and temporary differences of a prior year	(2,517)	(456)
Derecognition of previously recognized tax losses, tax credits and temporary differences	(314)	14,713
Changes in previously recognized tax losses, tax credits and recognized temporary and permanent differences for changes in enacted tax rates	(117)	291
Changes in previously recognized tax losses, tax credits and recognized temporary and permanent differences for changes in currency effects	14,100	2,248
Over provided in prior periods	(274)	(218)
State and local taxes	622	423
Other	544	525
Income tax expense reported in consolidated income statement	23,409	95,002

The weighted average statutory income tax rate is the average of the statutory income tax rates applicable in the countries in which the Company operates, weighted by the profit (loss) before income tax of the subsidiaries in the respective countries as included in the consolidated accounts. Several entities have losses and other tax attributes for which no deferred tax assets have been recognized.

During the years ended December 31, 2024 and 2023, the income tax benefits related to the current year losses and other tax attributes of certain entities located primarily in Africa, China, France, Germany, India, the Netherlands and the United States were not recognized. In total, \$20,044 and \$13,461 were not recognized in 2024 and 2023, respectively, as it is probable that these amounts will not be realized.

During the years ended December 31, 2024 and 2023, certain income tax benefits related to previously unrecognized tax losses and temporary differences related to entities located in China and the United States and other were recognized. In total, \$2,517 and \$456 were recognized in 2024 and 2023, respectively, through an increase to the net deferred tax asset.

The main factors considered in assessing the realizability of deferred tax benefits were improved profitability, higher forecasted taxable profitability and the carryforward period of the tax losses. After assessing these factors, the Company determined that it is probable that the deferred tax benefit of the tax losses and temporary differences will not be realized in the foreseeable future.

The net recognized deferred tax assets (liabilities) were also adjusted to reflect changes in currency rates in Brazil. The impact of the currency rates was an increase to income tax expense of \$14,100 (2023: \$2,248).

There were no income tax consequences associated with the payment of dividends in either 2024 or 2023 by AMG to its shareholders.

Deferred tax assets and liabilities

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. In addition, deferred income tax assets include amounts related to net operating loss carryforwards, tax credits and interest limitation carryforwards.

Deferred tax assets are recognized to the extent it is probable that the temporary differences, unused tax losses, unused tax credits, and limitations on interest deductions will be realized. The realization of deferred tax assets is reviewed each reporting period and includes the consideration of historical operating results, projected future taxable income exclusive of reversing temporary differences and carryforwards, the scheduled reversal of deferred tax liabilities and tax planning.

Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities have been recognized in respect of the following:

	December 31, 2023 Net tax asset and liability	2024 Activity			December 31, 2024		
		Deferred benefit (expense)	Other comprehensive income	Currency translation adjustment/ other	Net tax asset and liability	Assets	Liabilities
Inventories	536	843	—	(6)	1,373	1,786	413
Long-term contracts	(11,765)	(3,774)	—	915	(14,624)	547	15,171
Prepaid and other current assets	133	(4)	—	33	162	170	8
Property, plant, and equipment	(24,776)	(1,466)	—	304	(25,938)	321	26,259
Deferred charges and non-current assets	(10,398)	(14,657)	212	(44)	(24,887)	330	25,217
Accruals and reserves	13,858	(2,464)	—	(417)	10,977	11,327	350
Environmental liabilities	1,410	(174)	—	(14)	1,222	1,465	243
Retirement benefits	22,128	(613)	(867)	(962)	19,686	19,718	32
Tax loss and tax credit carryforwards	29,092	20,218	—	(742)	48,568	48,679	111
Total	20,218	(2,091)	(655)	(933)	16,539	84,343	67,804
Set off of tax						(46,843)	(46,843)
Net tax assets and liabilities						37,500	20,961

	December 31, 2022 Net tax asset and liability	2023 Activity			December 31, 2023		
		Deferred benefit (expense)	Other comprehensive income	Currency translation adjustment/ other	Net tax asset and liability	Assets	Liabilities
Inventories	555	(8)	—	(11)	536	1,051	515
Long-term contracts	(18,922)	7,672	—	(515)	(11,765)	291	12,056
Prepaid and other current assets	(17,897)	18,263	—	(233)	133	143	10
Property, plant, and equipment	(23,334)	(1,187)	—	(255)	(24,776)	423	25,199
Deferred charges and non-current assets	(13,712)	3,594	(90)	(190)	(10,398)	1,330	11,728
Accruals and reserves	13,452	(7)	—	413	13,858	13,920	62
Environmental liabilities	2,590	(1,191)	—	11	1,410	1,656	246
Retirement benefits	18,566	(92)	3,240	414	22,128	22,210	82
Tax loss and tax credit carryforwards	48,614	(20,156)	—	634	29,092	29,166	74
Total	9,912	6,888	3,150	268	20,218	70,190	49,972
Set off of tax						(43,308)	(43,308)
Net tax assets and liabilities						26,882	6,664

During the year ended December 31, 2024, the Company recorded deferred income tax benefit of \$212 (2023: \$90) related to cash flow hedges and deferred income tax (expense) benefit of (\$867) (2023: \$3,240) related to actuarial gains in defined benefit plans in other comprehensive income. Refer to note 17 for additional details.

Unrecognized deferred tax assets

The net deferred tax assets are fully recognized for each of the jurisdictions in which we operate with the exception of the following: (1) a German entity did not recognize the specific deferred tax asset recorded for the impact of assets impaired for book purposes; (2) the US Group under Metallurg Inc is no longer recognizing the deferred tax asset related to interest carryforwards; (3) a German entity did not recognize the specific deferred tax asset recorded for the impact of an inventory write-down for book purposes; (4) Dutch companies and operating companies in Germany, China, France, Africa, India and certain other jurisdictions do not recognize deferred tax assets for their loss carryforward positions and other carryforwards because management has determined that there will not be sufficient and foreseeable taxable profits in these locations to realize the benefits of these carryforward positions.

Deferred tax assets for these entities have not been recognized in respect of tax loss carryforwards, tax attributes, and temporary differences as they may not be used to offset taxable profits generated elsewhere in the Company and they have arisen in subsidiaries that have a history of losses or limited profitability.

Deferred tax assets and liabilities have not been recognized in respect of the following items:

	Assets	
	2024	2023
Deferred charges and non-current assets	8,013	8,532
Tax loss and tax credit carryforwards	65,791	50,303
Net tax assets – unrecognized	73,804	58,835

In addition to the unrecognized federal deferred tax assets that are detailed above, there are \$8,282 (2023: \$7,997) in unrecognized US state deferred tax assets related to net operating losses.

At December 31, 2024, pre-tax net operating losses and tax credit carryforwards for which no deferred tax assets have been recognized on the balance sheet, expire as follows:

2025	1,577
2026	2,673
2027	5,197
2028	7,226
2029 and later	553
Unlimited	264,760
Total	281,986

In addition to the federal pre-tax net operating losses scheduled above, \$132,763 in pre-tax net operating losses in various US states are set to expire beginning in 2025.

Global minimum top-up tax (Pillar Two)

The Organization for Economic Cooperation and Development (“OECD”) has published the Pillar Two model rules which adopt a global minimum tax of 15% for multinational enterprises with average revenue in excess of Euro 750 million. Certain jurisdictions in which we operate (including the Netherlands), enacted legislation consistent with one or more of the OECD Pillar Two model rules effective in 2024. The model rules include minimum domestic top-up taxes, income inclusion rules and undertaxed profit rules, all aimed to ensure that multinational corporations pay a minimum effective corporate tax rate of 15% in each jurisdiction in which they operate. The Pillar Two model rules did not materially impact our annual effective tax rate in 2024. However, we are continuing to evaluate the Pillar Two model rules and related country-level legislation and the potential impact on future periods.

AMG applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

9. Property, plant and equipment

Cost	Mining costs	Land, buildings and improvements	Machinery and equipment	Furniture and fixtures	Construction in progress	Total
Balance at January 1, 2023	47,476	414,651	705,000	40,945	97,893	1,305,965
Additions	4,085	59,447	(35,086)	4,101	125,991	158,538
Capitalized borrowings	—	—	1,702	—	10,297	11,999
Retirements and transfers	(11)	6,511	10,255	(599)	(23,141)	(6,985)
Impairment expense	(5,499)	(1,775)	(3,485)	(760)	(35)	(11,554)
Effect of movements in exchange rates	359	5,058	8,109	1,144	4,584	19,254
Balance at December 31, 2023	46,410	483,892	686,495	44,831	215,589	1,477,217
Balance at January 1, 2024	46,410	483,892	686,495	44,831	215,589	1,477,217
Additions	3,744	7,584	20,940	4,279	65,842	102,389
Capitalized borrowings	—	—	2,411	—	13,404	15,815
Retirements and transfers	(1,588)	11,912	29,456	(2,491)	(58,023)	(20,734)
Impairment reversal	1,708	1,775	1,384	324	—	5,191
Effect of movements in exchange rates	(304)	(9,464)	(14,955)	(2,159)	(12,047)	(38,929)
Balance at December 31, 2024	49,970	495,699	725,731	44,784	224,765	1,540,949
Depreciation						
Balance at January 1, 2023	(21,344)	(102,327)	(357,354)	(27,329)	—	(508,354)
Depreciation for the year	(1,833)	(15,112)	(30,630)	(4,406)	—	(51,981)
Retirements and transfers	—	973	3,819	2,295	—	7,087
Impairment expense	3,115	764	2,532	492	—	6,903
Effect of movements in exchange rates	(257)	(1,916)	(6,779)	(742)	—	(9,694)
Balance at December 31, 2023	(20,319)	(117,618)	(388,412)	(29,690)	—	(556,039)
Balance at January 1, 2024	(20,319)	(117,618)	(388,412)	(29,690)	—	(556,039)
Depreciation for the year	(1,143)	(17,803)	(31,830)	(5,233)	—	(56,009)
Retirements and transfers	1,708	4,526	10,915	3,092	—	20,241
Impairment reversal	(1,708)	(1,237)	(1,025)	(254)	—	(4,224)
Effect of movements in exchange rates	267	3,673	11,552	1,410	—	16,902
Balance at December 31, 2024	(21,195)	(128,459)	(398,800)	(30,675)	—	(579,129)
Carrying amounts						
At January 1, 2023	26,132	312,324	347,646	13,616	97,893	797,611
At December 31, 2023	26,091	366,274	298,083	15,141	215,589	921,178
At January 1, 2024	26,091	366,274	298,083	15,141	215,589	921,178
At December 31, 2024	28,775	367,240	326,931	14,109	224,765	961,820

Property, plant and equipment under construction

During the years ended December 31, 2024 and 2023, the Company embarked on several different expansion projects as well as several required maintenance projects. The largest projects are the lithium hydroxide refinery in Bitterfeld, Germany, the vanadium electrolyte plant at AMG Titanium in Nuremberg, Germany and the expansion of the lithium concentrate plant's capacity in Brazil. Costs incurred up to December 31, 2024, which are included in construction in progress, totaled \$224,765 (2023: \$215,589).

Borrowing costs

The Company capitalized borrowing costs of \$15,815 (2023: \$11,999) during 2024 which included \$12,358 (2023: \$7,695) of interest for the German lithium hydroxide refinery and \$3,457 of interest for other AMG facilities (2023: \$4,304). The interest rate utilized to capitalize borrowing costs in 2024 ranged from 7.97% - 8.96% (2023: 8.34% - 8.97%).

Property, plant and equipment additions

At December 31, 2024, the Company had \$102,389 in additions, including \$11,688 in accounts payable, lease additions of \$7,515 and non-cash estimated future costs of \$1,535 recognized for asset retirement obligations. At December 31, 2023, the Company had \$158,538 in additions, including \$15,165 in accounts payable, lease additions of \$7,740 and non-cash estimated future costs of \$2,871 recognized for asset retirement obligations.

Depreciation of property, plant and equipment

Depreciation expense for the year ended December 31, 2024 was \$56,009 (2023: \$51,981). Depreciation expense is recorded in the following line items in the income statement:

	2024	2023
Cost of sales	47,713	45,834
Selling, general and administrative expenses	8,296	6,147
Total	56,009	51,981

Impairment testing

IAS 36 requires that assets be carried at a value no greater than their recoverable amount. To meet this standard, the Company is required to test tangible assets for impairment when indicators of impairment exist, or at least annually, for goodwill and intangible assets with indefinite useful lives. During the year ended December 31, 2024, the Company recorded an reversal of \$967 in asset impairments on property, plant and equipment in costs of sales related to the closure one of our mines in Mozambique. This amount is classified in assets held for sale in the statement of financial position.

During the year ended December 31, 2023, the Company recorded an expense of \$4,651 in asset impairments on property, plant and equipment in cost of sales sold mainly related to the closure one of our mines in Mozambique and a restructuring program to improve efficiencies in one of our German facilities. Impairment expense was partially offset by insurance proceeds of \$1,010 to rebuild one of our lines in one of our facilities in the UK.

Security

At December 31, 2024, properties with a carrying amount of \$245,180 (2023: \$235,865) are pledged as collateral to secure bank loans.

10. Goodwill and other intangible assets

Cost	Goodwill	Customer relationships	Capitalized development costs	Mining assets	Other intangible assets	Total goodwill and intangible assets
Balance at January 1, 2023	38,405	10,603	4,472	6,754	35,068	95,302
Additions	—	—	205	182	2,886	3,273
Transfers, disposals and reversals	—	—	—	(87)	87	—
Effect of movements in exchange rates	330	304	111	331	1,193	2,269
Balance at December 31, 2023	38,735	10,907	4,788	7,180	39,234	100,844
Balance at January 1, 2024	38,735	10,907	4,788	7,180	39,234	100,844
Acquisitions	—	—	—	—	13,571	13,571
Additions	—	—	596	71	3,306	3,973
Transfers, disposals and reversals	—	(224)	—	(79)	31	(272)
Effect of movements in exchange rates	(581)	(513)	(250)	(429)	(2,301)	(4,074)
Balance at December 31, 2024	38,154	10,170	5,134	6,743	53,841	114,042
Amortization and Impairment						
Balance at January 1, 2023	(9,548)	(9,648)	(3,542)	(3,744)	(27,416)	(53,898)
Amortization	—	(133)	—	(286)	(2,236)	(2,655)
Transfers, disposals and reversals	—	—	—	—	(100)	(100)
Impairment expense	—	—	—	(2,277)	—	(2,277)
Effect of movements in exchange rates	—	(273)	(120)	(358)	(850)	(1,601)
Balance at December 31, 2023	(9,548)	(10,054)	(3,662)	(6,665)	(30,602)	(60,531)
Balance at January 1, 2024	(9,548)	(10,054)	(3,662)	(6,665)	(30,602)	(60,531)
Amortization	—	(117)	(151)	—	(2,274)	(2,542)
Transfers, disposals and reversals	—	—	—	(482)	(100)	(582)
Impairment reversal	—	—	—	482	—	482
Effect of movements in exchange rates	—	478	229	(54)	1,884	2,537
Balance at December 31, 2024	(9,548)	(9,693)	(3,584)	(6,719)	(31,092)	(60,636)
Carrying amounts						
At January 1, 2023	28,857	955	930	3,010	7,652	41,404
At December 31, 2023	29,187	853	1,126	515	8,632	40,313
At January 1, 2024	29,187	853	1,126	515	8,632	40,313
At December 31, 2024	28,606	477	1,550	24	22,749	53,406

Additions for intangible assets

At December 31, 2024, the Company had \$3,973 (2023: \$3,273) in additions, related to investments in intangible fixed assets. Additionally, the Company acquired \$13,571 (2023: nil) of intellectual property pertaining to our Vanadium and LIVA businesses, of which \$6,697 (2023: nil) is recorded as contingent consideration under accruals and other liabilities on the balance sheet at period end. Refer to note 29 for additional details.

Amortization of intangible assets

Amortization expense for the year ended December 31, 2024 was \$2,542 (2023: \$2,655). Amortization expense is recorded in the following line items in the income statement:

	2024	2023
Cost of sales	555	798
Selling, general and administrative expenses	1,987	1,857
Total	2,542	2,655

Research costs

Research and development expenses are included in selling, general and administrative expenses and were \$9,259 and \$7,818 in the years ended December 31, 2024 and 2023, respectively.

Impairment testing for intangible assets

(a) Goodwill

For the purposes of impairment testing, goodwill has been allocated to the Company's cash-generating units as follows:

	Segment	2024	2023
AMG Antimony	AMG Technologies	9,702	9,702
AMG Chrome	AMG Vanadium	1,510	1,510
AMG Engineering	AMG Technologies	13,273	13,850
AMG Titanium	AMG Vanadium	4,121	4,125
Total		28,606	29,187

Key assumptions

The calculations of value in use are most sensitive to the following assumptions:

- Global metals pricing - Estimates are obtained from published indices. The estimates are evaluated and are generally used as a guideline for future pricing.
- Discount rate - Discount rates reflect the current market assessment of the time value of money and the risks specific to the asset, based on a comparable peer group.
- Expected future cash flows - Expected future cash flows are based on management's best estimates of future business conditions but cannot be guaranteed as the Company does not have fixed revenues or costs.
- Growth rate - Growth rates are based on management's interpretation of published industry research in order to extrapolate cash flows beyond the business plan period. As most businesses follow economic trends, an inflationary factor of 1% was utilized for all entities.

It is possible that the key assumptions used in the business plan will differ from actual results. However, management does not believe that any reasonably possible changes to any of such key assumptions will cause the carrying amount to exceed the recoverable amount. The values assigned to the key assumptions represent management's assessment of future trends in the metallurgical industry and are based on both external sources and internal sources (historical data).

For the impairment tests for AMG Antimony, AMG Chrome, AMG Engineering and AMG Titanium's cash-generating units, the recoverable amounts are the value in use. The value in use was determined using the discounted cash flow method. In 2024 and 2023, the carrying amounts of the AMG Antimony, AMG Chrome, AMG Engineering and AMG Titanium's cash-generating units were determined to be lower than their recoverable amounts and no impairment losses were recognized.

The following table includes the pre-tax discount rates that were applied in determining the recoverable amount for each cash-generating unit:

	2024	2023
AMG Antimony	13.57%	10.29%
AMG Chrome	16.45%	15.09%
AMG Engineering	13.34%	14.31%
AMG Titanium	13.72%	12.59%

Sensitivities related to the value in use calculation for all cash-generating units would imply that a 1% increase in the discount rate or using a 0% growth rate would not have created an impairment.

(b) Intangibles with finite lives

The determination of whether long-lived assets are impaired requires an estimate of the recoverable amount of the cash-generating unit or group of cash-generating units to which the long-lived assets have been allocated. The recoverable amount is defined as the higher of a cash-generating unit's fair value less costs of disposal and its value in use. For each of the cash-generating units which tested long-lived assets for recoverability, the recoverable amount was determined as the value in use or fair value less costs to sell as appropriate. The value in use requires the entity to estimate the future cash flows expected to arise from the cash-generating units or group of cash-generating units and to discount these cash flows with a risk adjusted discount rate. Expected future cash flows are based on management's best estimates of future business conditions but cannot be guaranteed as the Company does not have fixed revenues or costs. The risk adjusted discount rate is estimated using a comparison of peers but can vary based on changes in the debt or equity markets or risk premiums assigned to countries or industries.

During the year end December 31, 2024, an intangible impairment reversal of \$482 was recognized (2023: (\$2,277) expense) on intangibles in cost of sales related to the closure our mine in Mozambique. This amount is classified in assets held for sale in the statement of financial position.

11. Other investments

As of December 31, 2024, the Company owned an 11.3% (2023: 11.3%) interest in a former customer, Global Advanced Metals Pty LTD. The investment is being designated as a financial instrument measured at fair value through other comprehensive income because the Company has not gained significant influence.

The investment had a value of \$21,619 at December 31, 2024 (2023: \$14,557). The fair value of this investment is estimated by management with reference to the relevant available information. The Company relied on the current financial results of the investment including the current financial statements and current year revenue estimates to determine a fair value for the investment. The Company did not have the relevant data to complete a discounted cash flow model. There was a lack of marketability discount applied of 17.5%. Changes in the valuation methodologies or assumptions could lead to different measurements of fair value. The Company recorded investment gains of \$7,062 and \$928 related to the investment during the years ended December 31, 2024 and 2023, respectively, which is included in other comprehensive income. During the year ended December 31, 2024 and 2023, the Company received a nil and \$9,855 dividend from this investment, respectively. The dividend received in 2023 was recorded in other income on the consolidated income statement.

Also included in other investments are assets of \$25,027 (2023: \$23,603) which are primarily designated to fund the Company's non-qualified pension liability. These assets consist of debt securities, equity securities, and insurance contracts which are held at fair value. These assets have been designated as Level 1 and partially Level 3 financial instruments on the fair value hierarchy. The Level 3 investments consist of insurance contracts valued at \$10,415 (2023: \$8,524). These insurance contracts have been valued using unobservable inputs based on the best available information in the circumstances. The investments are primarily held in a Rabbi Trust and are restricted for use in pension funding. The Company recorded an investment gain of \$1,035 (2023: \$1,469) related to the investments during the year ended December 31, 2024, which is included in other comprehensive income. See notes 22 and 29 for additional information.

12. Equity-accounted investees

The joint venture between Shell and AMG Recycling B.V. was incorporated in the Netherlands and will provide a long-term sustainable solution for catalyst reclamation and recycling. The Company maintains a 50% interest and joint control of the entity. The Company's interest is measured using the equity method as prescribed by IFRS 11 and IAS 28. The Company made capital contributions of \$3,250 (2023: \$6,800) during the current period. For the year ended December 31, 2024, the Company's share of the joint venture's losses was (\$2,895) (2023: (\$2,580)). During 2022, the Company's cumulative losses exceeded its interest in the joint venture, leading to the offsetting of unrecorded losses amounting to (\$517) during the year ending on December 31, 2023, through the contributions made. The carrying value of the Company's equity-accounted investee was \$4,058 (2023: \$3,703) as of December 31, 2024.

The Company's investment in Zinnwald Lithium Plc ("Zinnwald") (ZNWD, AIM) is also included among its equity method investees. On March 23, 2023, Zinnwald issued 118,996,738 of newly issued ordinary shares to the Company for a total subscription amount of \$15,189 resulting in a 25.13% shareholding. Zinnwald is an AIM quoted, lithium development company focused on becoming an important supplier to Europe's fast-growing battery sector. The Company owns the integrated Zinnwald Lithium Project in Germany, a development-stage project with attractive economics and approved mining license. The fair value of the investment was \$12,186 (2023: \$10,604) at December 31, 2024. For the year ended December 31, 2024, the Company's share of the investee's losses was (\$853) (2023: (\$626)). The carrying value of the Company's equity method investment into Zinnwald was \$13,710 (2023: \$14,563) as of December 31, 2024.

Also included in equity method investees is the company's investment in Savannah Resources Plc ("Savannah"). On June 20, 2024, the Company made a capital investment of \$20,363 in Savannah, the developer of the Barroso Lithium Project in Portugal, Europe's largest spodumene lithium deposit. AMG's capital investment yielded a 15.77% ownership stake (342,612,420 shares), making AMG the largest shareholder of record at the date of investment. The fair value of the investment was \$18,727 (2023:nil) at December 31, 2024. For the year ended December 31, 2024, the Company's share of the investee's losses was (\$21) (2023:nil). The carrying value of the Company's equity method investment into Savannah was \$20,342 (2023:nil) as of December 31, 2024.

13. Inventories

	2024	2023
Raw materials	110,448	90,459
Work in process	61,873	51,002
Finished goods	109,798	104,805
Other	21,989	14,679
Total	304,108	260,945

Other inventory primarily includes spare parts that are maintained for operations.

In the year ended December 31, 2024, the Company reduced certain inventory balances by \$28,607 (2023: \$29,631) as a result of the write-down to net realizable value. The write-downs were primarily related to an expense of \$14,836 due to decreases in the market price for lithium hydroxide that was purchased in connection with the commissioning of our German lithium refinery and an expense of \$13,561 due to decreases in the market price of vanadium. These write-downs were included in cost of sales.

Inventory in the amount of \$107,723 (2023: \$105,849) is pledged as collateral to secure the bank loans of certain subsidiaries (see note 20).

14. Trade and other receivables

	2024	2023
Trade receivables, net of allowance for doubtful accounts	114,458	122,939
Note receivable	10,225	—
Due from investment in affiliate	109	414
Gross amount due from customers for contract work	349,160	307,656
Less: progress payments received	(304,044)	(266,982)
Net receivable from contract work (note 5)	45,116	40,674
Total	169,908	164,027

At December 31, 2024 and 2023, trade receivables include receivables from customers who have received direct shipments or services from the Company and receivables from customers who have utilized inventory on consignment. Amounts billed to furnace construction contracts customers are also included in the trade and other receivables line item in the statement of financial position. The carrying amount of trade receivables approximates their fair value due to their short-term nature. Trade receivables are generally non-interest bearing and are generally on 30-90 day terms.

At December 31, 2024, notes receivable includes bank acceptance notes endorsed by customers to certain subsidiaries of the Company as a form of payment for goods delivered and/or services rendered.

At December 31, 2024, receivables in the amount of \$77,501 (2023: \$81,970) are pledged as collateral to secure the term loan and revolving credit facility of the Company (see note 20).

As of December 31, the analysis of trade receivables that were past due but not impaired is as follows:

	Total	Neither past due nor impaired	Overdue				
			<30 days	30-60 days	60-90 days	90-120 days	>120 days
2024	169,908	145,605	10,213	4,942	637	1,355	7,156
2023	164,027	144,940	12,681	3,712	1,328	730	636

At December 31, 2024, trade receivables are shown net of expected credit losses of \$1,558 (2023: \$1,191) arising from customer unwillingness or inability to pay. Bad debt charges in the amount of \$739 and \$306 were recorded in the years ended December 31, 2024 and December 31, 2023, respectively. These charges were recorded in selling, general and administrative expenses in the consolidated income statement. Refer to note 3.7 for additional details on the Company's policy for the calculation of expected credit losses.

Movements in the provision for impairment of receivables were as follows:

	2024	2023
At January 1	1,191	970
Charge for the year	739	306
Amounts written-off	(85)	(20)
Amounts recovered/collected	(100)	(94)
Foreign currency adjustments	(187)	29
At December 31	1,558	1,191

Factoring of receivables

As of December 31, 2024 and 2023, the Company had total receivables factored and outstanding of \$69,277, and \$53,478, respectively. The Company maintains accounts receivable facilities with banks and credit insurance companies in Germany, France and the US. The Company sold receivables in the amount of \$396,028 throughout the year which includes security deposits of \$4,890 and cash proceeds of \$286,510. During 2024, the Company incurred costs of \$4,969 in conjunction with the sale of these receivables of which \$4,462 were included in finance cost, \$507 were recorded to selling, general and administrative expenses, and nil were recorded to sales on the income statement. This activity is included in cash from operating activities during the year ended December 31, 2024.

In 2023, the Company sold receivables in the amount of \$290,908 which includes security deposits of \$4,340 and cash proceeds of \$206,926. During 2023, the Company incurred costs of \$3,477 in conjunction with the sale of these receivables of which \$2,990 were included in finance cost, \$487 were recorded to selling, general and administrative expenses, and nil were recorded to sales on the income statement. This activity is included in cash from operating activities during the year ended December 31, 2023.

15. Other assets

Other assets are comprised of the following:

	2024	2023
Domestic production tax credit	28,319	6,377
Prepaid taxes (indirect)	22,192	25,059
Prepaid inventory	21,673	37,450
Insurance	9,091	9,904
Deposits	4,964	5,612
Advances to affiliates	3,287	1,106
Dividend receivable	2,464	2,464
Maintenance and subscriptions	2,108	1,743
Environmental trusts	1,771	1,930
Energy contract settlement	853	5,336
Debt issuance cost	793	1,216
Bank acceptance notes	—	2,634
Government grants	—	6,119
Other miscellaneous assets	6,276	5,238
Total	103,791	112,188
Thereof:		
Current	90,334	100,128
Non-current	13,457	12,060

The Inflation Reduction Act of 2022 enacted new renewable energy credits, including an advanced manufacturing production credit under Section 45X. On October 24, 2024, the IRS and Treasury released the final regulations expanding the scope of the definition of production costs to include indirect and direct materials costs. Based on these regulations as issued by the IRS, our Vanadium business in the US qualifies for this production tax credit for domestic manufacturing of critical materials from 2023 onwards. For the full year 2024, AMG expects to receive a tax credit of approximately 28,319 (2023: 6,377) a portion of which pertains to tax credits from 2023 upon the release of the final regulations in 2024.

16. Cash and cash equivalents

	2024	2023
Bank balances	294,049	321,048
Money market funds	205	24,260
Total cash	294,254	345,308

At December 31, 2024 and 2023, the Company had \$205 and \$24,260, respectively, of highly liquid money market funds. Bank balances earn interest at floating rates based on daily bank deposit rates.

17. Capital and reserves

Share capital

At December 31, 2024, the Company's authorized share capital was comprised of 65,000,000 ordinary shares (2023: 65,000,000) with a nominal share value of €0.02 (2023: €0.02) and 65,000,000 preference shares (2023: 65,000,000) with a nominal share value of €0.02 (2023: €0.02).

At December 31, 2024, the issued and outstanding share capital was comprised of 32,269,144 ordinary shares (2023: 32,206,914), with a nominal value of €0.02 (2023: €0.02) which were fully paid. No preference shares were outstanding at December 31, 2024 (2023: nil). The nominal value of the outstanding shares as of December 31, 2024, was \$670 (2023: \$712) as compared to the value using historical exchange rates which was \$853 (2023: \$853).

The preference shares carry equal voting rights as ordinary shares and are entitled, if distribution to shareholders is permitted, to a fixed dividend equal to EURIBOR for deposit loans of one year increased with maximum of 400 basis points as determined by the Management Board of the Company and subject to approval by the Supervisory Board. AMG's dividend policy is to evaluate liquidity needs for alternative uses including funding growth opportunities and funding dividend payments to shareholders. Payment of future dividends to shareholders will be at the discretion of the Management Board subject to the approval of the Supervisory Board after taking into account various factors and is subject to limitations based on the Company's revolving credit facility. Additionally, payment of future dividends or other distributions to shareholders may be made only if the Company's shareholders' equity exceeds the sum of the issued share capital plus the reserves required to be maintained by law.

A roll forward of the total shares outstanding is noted below:

Balance at January 1, 2023	31,951,492
Shares repurchased	(165,899)
Treasury shares delivered for share-based compensation	415,116
Treasury shares delivered to Supervisory Board	6,205
Balance at December 31, 2023	32,206,914
Shares repurchased	(28,861)
Treasury shares delivered for share-based compensation	78,278
Treasury shares delivered to Supervisory Board	12,813
Balance at December 31, 2024	32,269,144

Shares issued or delivered for share-based compensation

During the year ended December 31, 2024, 78,278 (2023: 415,116) shares were issued to management related to the vesting of share-based compensation awards. Refer to note 23 for details regarding these plans.

Treasury shares

The Company repurchased shares which are held in treasury for the delivery upon exercise of options and performance share programs and are accounted for as a reduction of shareholders' equity.

A roll forward of the treasury share balance is noted below:

Balance at January 1, 2023	552,672
Shares repurchased	165,899
Treasury shares delivered for share-based compensation	(415,116)
Treasury shares delivered to Supervisory Board	(6,205)
Balance at December 31, 2023	297,250
Shares repurchased	28,861
Treasury shares delivered for share-based compensation	(78,278)
Treasury shares delivered to Supervisory Board	(12,813)
Balance at December 31, 2024	235,020

Supervisory board remuneration

During the years ended December 31, 2024 and 2023, 12,813 and 6,205 shares were delivered, respectively, as compensation to its Supervisory Board members for services provided in 2024 and 2023. These shares were awarded as part of the remuneration policy approved by the Annual General Meeting.

Other reserves

	Foreign currency translation reserve	Hedging reserve	Cost of hedging reserve	Capitalized development expenditure s reserve	Defined benefit obligation reserve	Fair value reserve	Total
Balance at January 1, 2023	(32,146)	27,235	734	930	(43,363)	1,741	(44,869)
Currency translation differences	6,882	—	—	—	(1,207)	—	5,675
Gain on FVOCI investments	—	—	—	—	—	2,397	2,397
Movement on cash flow hedges	—	(7,832)	758	—	—	—	(7,074)
Tax effect on net movement on cash flow hedges	—	60	(150)	—	—	—	(90)
Actuarial loss on defined benefit plans	—	—	—	—	(11,739)	—	(11,739)
Tax effect on net movement on defined benefit plans	—	—	—	—	3,240	—	3,240
Transfer to retained earnings	—	—	—	191	—	—	191
Balance at December 31, 2023	(25,264)	19,463	1,342	1,121	(53,069)	4,138	(52,269)
Balance at January 1, 2024	(25,264)	19,463	1,342	1,121	(53,069)	4,138	(52,269)
Currency translation differences	(21,741)	—	—	—	1,348	—	(20,393)
Gain on FVOCI investments	—	—	—	—	—	8,097	8,097
Movement on cash flow hedges	—	(3,632)	(1,758)	—	—	—	(5,390)
Tax effect on net movement on cash flow hedges	—	(179)	391	—	—	—	212
Actuarial gain on defined benefit plans	—	—	—	—	2,273	—	2,273
Tax effect on net movement on defined benefit plans	—	—	—	—	(867)	—	(867)
Transfer to retained earnings	—	—	—	359	—	—	359
Balance at December 31, 2024	(47,005)	15,652	(25)	1,480	(50,315)	12,235	(67,978)

Restrictions on distributions

Certain restrictions apply on equity of the Company due to Dutch legal requirements. Please see note 9 in the parent company financial statements for additional details.

Dividends

During AMG's 2021 Annual General Meeting, the Company amended the dividend policy. Given that AMG has cyclical elements in its product mix and that it desires to have a relatively consistent dividend pay-out, the Company revised its policy to allow for stable dividend pay-outs that will target gradual increases to historic dividend levels, provided that such pay-outs and possible increases are supported by AMG's liquidity and cash flow generation, and subject to prevailing statutory requirements.

The Company intends to propose a full year dividend for 2024 of €0.40 (2023: €0.60) to the General Meeting of Shareholders for approval as part of the adoption of the 2024 Annual Accounts.

The interim dividend of €0.20 (2023: €0.40) per ordinary AMG share, paid on August 14, 2024, will be deducted from this amount. The proposed final dividend per ordinary share therefore amounts to €0.20 (2023: €0.20). This dividend payment was determined appropriate by the Management and Supervisory Boards based on current liquidity and long-term prospects. Dividend payments to shareholders will be at the discretion of the Management Board subject to the approval of the Supervisory Board after taking into account various factors, including business prospects, cash requirements, financial performance, expansion plans, the terms of the Company's financing facilities and the compliance with applicable statutory and regulatory requirements. Additionally, any payment of dividends (whether interim or after adoption of the annual accounts) or other distributions to shareholders may be made only if the Company's shareholders' equity exceeds the sum of the issued share capital plus the reserves required to be maintained by law.

Dividends of \$14,035, or €0.40 per share, were paid during the year ended December 31, 2024. Dividends of \$28,212, or €0.80 per share, were paid during the year ended December 31, 2023. Additionally, dividends of \$1,037 declared in 2023 were paid by our Brazilian subsidiary to its non-controlling interest during the year ended December 31, 2024 (2023: nil).

18. Earnings per share

Basic earnings per share

Basic earnings per share amounts are calculated by dividing net profits for the year attributable to ordinary equity holders of the parent by the weighted average of ordinary shares outstanding during the year. As of December 31, 2024 and 2023, the calculation of basic earnings per share is performed using the weighted average shares outstanding for 2024 and 2023, respectively.

Diluted earnings per share

Diluted earnings per share are calculated by dividing the net profit attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. The only category of potentially dilutive shares at December 31, 2024 and 2023 are AMG's share options and AMG's restricted share unit and performance share unit plans. The diluted earnings per share calculation includes the number of shares that could have been acquired at fair value given the exercise price attached to the outstanding options. The calculated number of shares is then compared with the number of shares that would have been issued assuming the exercise of the share options.

For the year ended December 31, 2024, there were 125 (2023: 9) shares related to outstanding stock options that could potentially further dilute basic EPS in future periods but were anti-dilutive in 2024 due to the strike price of the options relative to the average price of the Company's shares for the year.

Earnings	2024	2023
Net (loss) profit attributable to equity holders for basic and diluted earnings per share	(33,351)	101,320
Number of shares (in 000's)		
Weighted average number of ordinary shares for basic earnings per share	32,249	32,155
Dilutive effect of stock options and other share-based compensation	—	86
Dilutive effect of performance share units	—	229
Weighted average number of ordinary shares adjusted for effect of dilution	32,249	32,470
Basic (loss) earnings per share	(1.03)	3.15
Diluted (loss) earnings per share	(1.03)	3.12

19. Non-controlling Interests

As of December 31, 2024, non-controlling interests totaled \$44,070 (2023: \$44,220).

On March 30, 2015, the Company sold a 40% equity interest in a German subsidiary, Graphit Kropfmühl GmbH ("AMG Graphite"). This sale resulted in the Company owning 60% of this subsidiary and a non-controlling interest of 40%. The Company has maintained control of the subsidiary and continues to consolidate the financial results. The non-controlling interest has rights to the financial position and results of AMG Graphite in proportion with their ownership. The non-controlling interest also has protective rights which prevent fundamental changes to AMG Graphite as well as restrictions on the ability to transfer cash out of the subsidiary.

The summarized financial information of this subsidiary is provided below. This information is based on amounts before intercompany eliminations:

Summarized financial information as of December 31:	2024	2023
Revenues	67,175	64,571
Current assets	86,309	91,586
Non-current assets	24,336	27,307
Current liabilities	21,267	22,309
Non-current liabilities	13,453	13,903
Total equity	75,925	82,681
Attributable to:		
Equity holders of parent	45,848	50,175
Non-controlling interest	30,077	32,506

In addition to the balances above, the Company also had several other non-controlling interests in its subsidiaries, including a partnership between our Brazilian subsidiary and JX Metals Corporation (JXM). The partnership comprises the tantalum operations in Brazil. As part of the partnership, AMG Brazil is the ostensible partner holding 55% ownership but has complete control on operations. At December 31, 2024, JXM's non-controlling interest was \$6,586 (2023: \$6,586). The remaining \$7,407 (2023: \$5,128) of non-controlling interests relates ownership interests held by local management within two of our Chinese subsidiaries.

20. Loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings. For more information about the Company's exposure to interest rate and foreign currency risk, see note 28.

Non-current	Interest rate	Maturity	2024	2023
Term Loan B ¹	SOFR ² +3.50%	Nov 2028	427,438	333,902
Municipal bond	5.00 %	July 2049	318,747	319,002
Subsidiary debt	3.40% - 5.17%	Jan 2025 - Nov 2028	2,017	3,361
Total			748,202	656,265

Current	Interest rate	Maturity	2024	2023
Term Loan B ¹	SOFR ² +3.50%	Nov 2028	4,522	3,500
Subsidiary debt	3.40% - 5.17%	Jan 2025 - Nov 2028	672	2,066
Total			5,194	5,566

1) The interest rate is subject to a 0.50% SOFR floor. As of December 31, 2024, the effective floating interest rate, including credit spread adjustment, was 8.0% (2023: 9.0%).

2) Effective April 2023, the LIBOR benchmark interest rate on the Term Loan B was converted to Term SOFR as a result of the global reforms for interest rate benchmarks. See additional discussion below.

Term loan and revolving credit facility

On November 30, 2021, the Company entered into a \$350,000, 7-year senior secured term loan B facility ("term loan") and a \$200,000 5-year senior secured revolving credit facility ("revolver"). The total facility amount of \$550,000 replaced AMG's previous credit facility and extended the term loan maturity from 2025 to 2028 and revolver maturity from 2023 to 2026. Proceeds from the facility were used to repay AMG's previous credit facility in 2021.

On April 15, 2024, AMG entered into a new \$100,000 incremental term loan, structured as a fungible add-on to the existing \$350,000, 7-year senior secured term loan B facility ("term loan"). The \$100,000 incremental term loan has the same pricing, terms and 2028 maturity as the existing \$350 million term loan. Proceeds from the new incremental term loan were used for general corporate purposes and lithium resource development.

In July 2017, the United Kingdom's Financial Conduct Authority, which regulates the London Interbank Offered Rate (LIBOR), announced it intends to phase out LIBOR by June 30, 2023. The Alternative Reference Rates Committee ('ARRC'), a group of private-market participants convened by the Federal Reserve Board and the Federal Reserve Bank of New York to help ensure a successful transition from U.S. dollar LIBOR ('USD-LIBOR') to a more robust reference rate, has proposed that the Secured Overnight Financing Rate ('SOFR') represents the best alternative to USD-LIBOR for use in derivatives and other financial contracts that are currently indexed to USD-LIBOR. The Company's Credit Agreement and interest rate swaps included a hardwired transition process from LIBOR to SOFR, as the successor benchmark reference rate. The Company elected to adopt the conversion to the Term SOFR rate, including a credit spread adjustment, in April 2023 as permitted by the credit agreement.

As of December 31, 2024, the total outstanding principal on the term loan was \$438,733 (2023: \$343,000), and the available revolver capacity was \$200,000 (2023: \$194,850). As noted above, interest on the revolver is based on current SOFR (or in the case of any loans denominated in euros, EURIBOR) plus a margin that is dependent on AMG's corporate credit rating. Additionally, the revolver, as a sustainability-linked loan, is subject to a margin adjustment based on annual CO₂ intensity reduction targets. At December 31, 2024 the margin on the revolver was 2.75% (2023: 2.50%). As part of obtaining the revolver the Company is responsible for maintaining Net Debt to EBITDA not to exceed 3.5:1.0. Interest on the term loan is based on current SOFR plus a margin of 3.5% and is subject to a SOFR floor of 0.50% as of December 31, 2024.

To mitigate interest rate risk, the Company entered into interest rate swaps totaling \$350,000, in connection with the execution of the term loan and revolver on November 30, 2021, and totaling \$100,000, in connection with the incremental term loan on April 15, 2024. This determination was made as part of the ongoing risk management process as these instruments mitigate the interest rate risk on the Company's credit facility. The interest rate swaps had similar fallback features that contemplated the phaseout of the LIBOR rate. See note 29 for additional information on the interest rate hedging activities.

The credit facility is subject to several affirmative and negative covenants including, but not limited to, the following: Net Debt to EBITDA not to exceed 3.5:1.0. EBITDA and Net Debt are defined in the credit facility agreement. The definitions per the credit facility agreement may be different from management definitions. The credit facility limits the amount of cash that can be included in the calculation of Net Debt. AMG's current cash balance is significantly in excess of the credit facility limit. As a result, the Net Debt to EBITDA ratio as defined by the credit facility as of December 31, 2024 was 1.5:1.0 (2023: 0.5:1.0). As of December 31, 2024, the Company was in compliance with all of its debt covenants.

Mandatory repayment of the credit facility is required upon the occurrence of (i) a change of control or (ii) the sale of all or substantially all of the business and/or assets of the Company whether in a single transaction or a series of related transactions. If the Company were not in compliance with all covenants under the credit facility, the loan could become due in full or the Company could be subject to significant amendment fees.

Debt issuance costs

The Company incurred issuance costs of \$9,724 in connection with the term loan and revolving credit facilities, which were deducted from the proceeds of the debt. The amounts have been allocated to the term loans and revolver based on the amount which would have been incurred if the facilities were obtained separately.

The amount allocated to the term loans of \$6,801 is shown net against the outstanding term loan balance and is amortized using the effective interest method. The Company recorded amortization expense of \$1,151 (2023: \$740) during the year ended December 31, 2024 related to these costs. The balance of unamortized costs net against the book value of the term loan was \$4,142 (2023: \$3,195) as of December 31, 2024.

The amount allocated to the revolver of \$2,922 is included in other assets because there were no borrowings outstanding. This amount is being amortized on a straight-line basis over the life of the facility. The Company has recorded amortization expense of \$807 during 2024 (2023: \$634) related to these costs. The balance of unamortized costs recorded in other assets related to the revolving credit facility was \$793 (2023: \$1,216) as of December 31, 2024.

Original issuance discount

The term loan included an original issue discount (OID) of 100 basis points, or \$3,500, and the incremental term loan included an OID of 97 basis points, or \$970, the total of which is shown net against the outstanding term loan balance and is amortized using the effective interest method. The Company has recorded amortization expense of \$743 (2023: \$541) during the year ended December 31, 2024 related to this OID. The balance of unamortized costs recorded was \$2,631 (2023: \$2,403) as of December 31, 2024.

Municipal bond

On July 11, 2019, the Company entered into a \$307,200 municipal bond in the US tax-exempt bond market generating proceeds of \$325,000 as the bond was issued by AMG Vanadium LLC at a premium. The bond was issued through the Ohio Air Quality Development Authority for the purpose of constructing a new catalyst recycling facility in Ohio. The bonds have a coupon rate of 5.0% and mature on July 1, 2049. The bonds are fully guaranteed by the Company. There are no financial covenants related to the bonds. The bonds are unsecured and subordinated to the term loan and revolver.

The bonds have several redemption provisions. The Company has an optional redemption whereby it can redeem the bonds beginning on July 1, 2029 through the date of maturity for the par value plus accrued interest at the date of redemption. The municipal bond also grants the holders of the bonds the right to tender their bonds for purchase by the Company upon a change in control of the Company at a purchase price of 101% of the principal amount of the bonds plus accrued interest.

Debt issuance costs

In connection with the issuance of the municipal bonds in July 2019, the Company incurred issuance costs of \$4,981, which were deducted from the proceeds of the municipal bonds. These issuance costs are presented net against the outstanding municipal bond balance and are amortized using the effective interest method. The Company recorded amortization expense of \$91 (2023: \$86) during the year ended December 31, 2024 related to these costs. The balance of unamortized costs was \$4,535 (2023: \$4,625) as of December 31, 2024.

Bond issuance premium

The municipal bond included a premium of \$17,800 which is shown with the outstanding municipal bond balance and is amortized using the effective interest method. The Company recorded amortization of \$346 (2023: \$328) during the year ended December 31, 2024. The balance of unamortized premium recorded was \$16,082 (2023: \$16,427) as of December 31, 2024.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Total
Balance at January 1, 2023	676,434
Changes from financing cash flows:	
Proceeds from loans and borrowings	—
Repayment of borrowings	(15,995)
Total changes from financing cash flows	(15,995)
The effect of changes in foreign exchange rates	353
Amortization of transaction costs related to loans and borrowings	1,039
Balance at December 31, 2023	661,831
Balance at January 1, 2024	661,831
Changes from financing cash flows:	
Proceeds from loans and borrowings	100,000
Payment of transaction costs related to the issuance of debt	(3,068)
Repayment of borrowings	(6,769)
Total changes from financing cash flows	90,163
The effect of changes in foreign exchange rates	(238)
Amortization of premiums, discounts and transaction costs related to loans and borrowings	1,640
Balance at December 31, 2024	753,396

21. Short-term bank debt

As of December 31, 2024, the Company had outstanding short-term bank debt of \$10,435 (2023: \$7,678). The Company's subsidiaries maintain short-term borrowing arrangements primarily to fund working capital needs with various banks at a weighted-average interest rate of 2.0% (2023: 3.9%). Borrowings under these arrangements are recognized as short-term debt on the consolidated statement of financial position when it is due to be settled within 12 months from inception.

22. Employee benefits

Defined contribution plans

Tax qualified defined contribution plans are offered which cover substantially all of the Company's salaried and hourly employees at US subsidiaries. All contributions, including a portion that represents a company match, are made in cash into mutual fund accounts in accordance with the participants' investment elections. The assets of the plans are held separately, under the control of trustees, from the assets of the subsidiaries. When employees leave the plans prior to vesting fully in the Company contributions, the contributions or fees payable by the Company are reduced by the forfeited contributions.

In Europe, the employees are members of state-managed retirement benefit plans operated by the governments in the countries where the employees work. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the subsidiaries with respect to the retirement benefit plan is to make the specified contributions.

The total expense as of December 31, 2024, recognized in the consolidated income statement of \$5,259 (2023: \$4,818) represents contributions paid and payable to these plans.

Defined benefit plans

North America plans

The Company offers tax-qualified, non-contributory defined benefit pension plans for salaried and hourly employees at US subsidiaries covered under collective bargaining agreements. The plans generally provide benefit payments using a formula based on an employee's compensation and length of service. These plans are funded in amounts at least equal to the minimum funding requirements of the US Employee Retirement Income Security Act.

Non-qualified additional supplemental executive retirement plans (SERPs) also cover four of the Company's current and former executive officers. Pursuant to the terms of the agreements, these officers earn additional retirement benefits for continued service with the Company. The amounts payable under the SERPs are guaranteed by AMG.

Actuarial assumptions

A majority of the North America plans are frozen to new entrants. As a result, the principal actuarial assumptions for these plans are the rate of discount and mortality rates. The rate of discount utilized as of December 31, 2024 (expressed as a weighted average) was 5.09% (2023: 4.83%). The SERP plan assumptions are developed using specific assumptions about the individual participants.

Assumptions regarding future mortality are based on published statistics and the mortality tables developed by the Society of Actuaries for private sector plans in the United States using MP-2021 as published in October 2021. The valuation was prepared on a going-plan basis. The valuation was based on members in the Plan as of the valuation date and did not take future members into account. No provisions for future expenses were made.

Medical cost trend rates are not applicable to these plans.

The best estimate of contributions to be paid to the plans for the year ending December 31, 2025 is \$1,432.

European plans

The Company's European plans include qualified defined benefit plans in Germany, the UK and France. The plans in Germany and France are partially funded or unfunded while the UK plan is partially funded. Benefits under these plans are based on years of service and the employee's compensation. Benefits are paid either from plan assets or, in certain instances, directly by AMG. Substantially all plan assets are invested in listed stocks and bonds.

A non-qualified additional supplemental executive retirement plan (SERP) also covers one of the Company's current executive officers. Pursuant to the terms of the agreement, this officer earns additional retirement benefits for continued service with the Company. The amounts payable under the SERP are guaranteed by AMG.

Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages) are presented below.

	2024	2023
	% per annum	% per annum
Salary increases	1.32	1.44
Rate of discount at December 31	4.15	3.84
Pension payments increases	2.48	2.52

Assumptions regarding future mortality are based on published statistics and mortality tables including the RT 2018G and S3PxA mortality tables.

The best estimate of contributions to be paid to the primary plans for the year ending December 31, 2025 is \$10,392.

Presented below are employee benefits disclosures for plans aggregated by geographical location into the North American and European groups.

2024 changes in the defined benefit obligation and fair value of plan assets:

	North America			Europe			Total		
	Fair Value of Plan Asset	Defined Benefit Obligation	Total	Fair Value of Plan Asset	Defined Benefit Obligation	Total	Fair Value of Plan Asset	Defined Benefit Obligation	Total
January 1, 2024	30,217	(49,676)	(19,459)	72,461	(186,335)	(113,874)	102,678	(236,011)	(133,333)
Service costs	—	(367)	(367)	—	(2,349)	(2,349)	—	(2,716)	(2,716)
Net interest	1,133	(2,292)	(1,159)	2,492	(6,830)	(4,338)	3,625	(9,122)	(5,497)
Subtotal included in profit or loss	1,133	(2,659)	(1,526)	2,492	(9,179)	(6,687)	3,625	(11,838)	(8,213)
Benefits paid	(2,964)	2,964	—	(6,391)	10,375	3,984	(9,355)	13,339	3,984
Amounts included in other comprehensive income (OCI) (see following table)	(283)	2,573	2,290	(5,630)	5,510	(120)	(5,913)	8,083	2,170
Contributions by employer	853	—	853	3,427	—	3,427	4,280	—	4,280
Change in asset ceiling	—	—	—	—	(135)	(135)	—	(135)	(135)
Effect of movements in foreign exchange rates	—	—	—	(1,293)	8,034	6,741	(1,293)	8,034	6,741
Change in the fair value of defined benefit plans that are in net asset position as of December 31, 2024 ¹	(96)	—	(96)	16	—	16	(80)	—	(80)
Net liability for defined benefits obligations at December 31, 2024	28,860	(46,798)	(17,938)	65,082	(171,730)	(106,648)	93,942	(218,528)	(124,586)

1) \$260 included in non-current assets in the Statement of Financial Position.

2024 subtotal included in OCI:

	North America			Europe			Total		
	Fair Value of Plan Asset	Defined Benefit Obligation	Total	Fair Value of Plan Asset	Defined Benefit Obligation	Total	Fair Value of Plan Asset	Defined Benefit Obligation	Total
Return on plan assets (excluding amounts included in net interest expense)	(283)	—	(283)	(5,630)	—	(5,630)	(5,913)	—	(5,913)
Assets ceiling	—	—	—	—	(69)	(69)	—	(69)	(69)
Actuarial changes arising from changes in demographic assumptions	—	—	—	—	639	639	—	639	639
Actuarial changes arising from changes in financial assumptions	—	2,266	2,266	—	6,721	6,721	—	8,987	8,987
Experience adjustments	—	307	307	—	(1,781)	(1,781)	—	(1,474)	(1,474)
Subtotal included in OCI	(283)	2,573	2,290	(5,630)	5,510	(120)	(5,913)	8,083	2,170

2023 changes in the defined benefit obligation and fair value of plan assets:

	North America			Europe			Total		
	Fair Value of Plan Asset	Defined Benefit Obligation	Total	Fair Value of Plan Asset	Defined Benefit Obligation	Total	Fair Value of Plan Asset	Defined Benefit Obligation	Total
January 1, 2023	30,393	(43,723)	(13,330)	65,703	(169,533)	(103,830)	96,096	(213,256)	(117,160)
Service costs	—	(5,600)	(5,600)	—	(1,916)	(1,916)	—	(7,516)	(7,516)
Net interest	1,168	(2,116)	(948)	2,770	(7,306)	(4,536)	3,938	(9,422)	(5,484)
Subtotal included in profit or loss	1,168	(7,716)	(6,548)	2,770	(9,222)	(6,452)	3,938	(16,938)	(13,000)
Benefits paid	(2,953)	2,953	—	(7,072)	10,986	3,914	(10,025)	13,939	3,914
Amounts included in OCI (see following table)	847	(1,190)	(343)	(498)	(10,828)	(11,326)	349	(12,018)	(11,669)
Contributions by employer	649	—	649	7,894	—	7,894	8,543	—	8,543
Effect of movements in foreign exchange rates	—	—	—	3,671	(7,738)	(4,067)	3,671	(7,738)	(4,067)
Change in the fair value of defined benefit plans that are in net asset position as of December 31, 2023 ¹⁾	113	—	113	(7)	—	(7)	106	—	106
Net liability for defined benefits obligations at December 31, 2023	30,217	(49,676)	(19,459)	72,461	(186,335)	(113,874)	102,678	(236,011)	(133,333)

1) \$180 included in non-current assets in the Statement of Financial Position.

2023 subtotal included in OCI:

	North America			Europe			Total		
	Fair Value of Plan Asset	Defined Benefit Obligation	Total	Fair Value of Plan Asset	Defined Benefit Obligation	Total	Fair Value of Plan Asset	Defined Benefit Obligation	Total
Return on plan assets (excluding amounts included in net interest expense)	847	—	847	(498)	—	(498)	349	—	349
Assets ceiling	—	—	—	—	(4,774)	(4,774)	—	(4,774)	(4,774)
Actuarial changes arising from changes in demographic assumptions	—	—	—	—	2,968	2,968	—	2,968	2,968
Actuarial changes arising from changes in financial assumptions	—	(994)	(994)	—	(8,982)	(8,982)	—	(9,976)	(9,976)
Experience adjustments	—	(196)	(196)	—	(40)	(40)	—	(236)	(236)
Subtotal included in OCI	847	(1,190)	(343)	(498)	(10,828)	(11,326)	349	(12,018)	(11,669)

Plan assets consist of the following:

	North America plans		European plans		Total	
	2024	2023	2024	2023	2024	2023
Equity securities and ownership of equity funds	5,448	7,707	15,608	39,974	21,056	47,681
Fixed income	22,813	21,814	—	—	22,813	21,814
Insurance contracts and other	829	835	49,503	32,528	50,332	33,363
Total	29,090	30,356	65,111	72,502	94,201	102,858

The assets of funded plans are generally held in separately administered trusts, either as specific assets or as a proportion of a general fund or insurance contracts. Assets are invested in different classes in order to maintain a balance between risk and return. Investments are diversified to limit the financial effect of the failure on any individual investment. For many of the funded plans, asset-liability matching strategies are not in place, however the fixed income assets are held in investments with varying term lengths.

The assets included in equity securities in the table above consists of securities held at market value. The fixed income assets consist primarily of investment grade and corporate bonds at market value. The insurance contracts and other consist of insurance contracts and other investment vehicles held at market value.

The expense is recognized in the following line items in the income statement:

	North America plans		European plans		Total	
	2024	2023	2024	2023	2024	2023
Cost of sales	261	325	1,901	1,956	2,162	2,281
Selling, general and administrative expenses	1,266	6,223	4,784	4,496	6,050	10,719
Total	1,527	6,548	6,685	6,452	8,212	13,000

A quantitative sensitivity analysis for significant assumptions as of December 31, 2024 is as shown below:

Assumptions	Discount rate		Future salary increases		Future pension cost increase	
	1% increase	1% decrease	1% increase	1% decrease	0.5% increase	0.5% decrease
Impact on the net defined benefit obligation North American Plans	(3,481)	4,009	128	(133)	85	(80)
Impact on the net defined benefit obligation European Plans	(18,425)	21,580	1,993	(1,775)	6,372	(5,898)
Total impact on the net defined benefit obligation	(21,906)	25,589	2,121	(1,908)	6,457	(5,978)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected to be made in the future years out of the defined benefit plan obligation for the year ending December 31:

	North America Plans	European Plans	Total
2025	4,020	10,392	14,412
2026	3,870	10,332	14,202
2027	3,830	10,591	14,421
2028	3,770	10,852	14,622
2029	4,060	11,237	15,297
2030-2034	20,140	54,323	74,463

The average duration of the defined benefit plan obligation at the end of the reporting period is 12 years (2023:12 years).

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

23. Share-based Payments

In May 2021, the shareholders of the Company approved an amendment to the Company's Remuneration Policy and long-term incentive program at the Annual General Meeting. Under the terms of the Remuneration Policy, equity-settled stock options are no longer awarded, and all awards for members of the Management Board will be in the form of performance share units ("PSU's"). The PSU's will continue to feature a three year service period; however, the new PSU plan also requires an additional two year holding period for members of the Management Board subsequent to vesting in line with the Dutch Corporate Governance Code. The PSU's have a market performance vesting condition based upon the Company's total shareholder return relative to a relevant global peer group. However, the performance share units no longer vest for performance below the 50th percentile. The Company established a restricted share unit ("RSU") plan for the Company's employees outside of the AMG Management Board, which is discussed in detail below. These revisions to the Company's Remuneration Policy were effective on May 6, 2021 and did not impact or modify previously issued share-based payment awards.

Equity-settled stock options

As noted above, equity-settled stock options were discontinued as a result of the Company's amended Remuneration Policy. However, all previously issued and outstanding stock options to the Management Board were subject to the 2009 AMG Option Plan ("2009 Plan") approved on May 13, 2009 at the Annual General Meeting. Each option issued under the 2009 Plan entitles the holder to acquire shares at a future date at a price equal to the fair market value of the share at the date on which the option was granted. One half of the options granted to each option holder on any date will vest on each of the third and fourth anniversaries of the grant date. The vesting is subject to a performance condition related to return on capital employed. The options expire on the tenth anniversary of their grant date.

During the year ended December 31, 2024, no options were exercised (2023: nil) under the 2009 Plan. There were no new option grants under the 2009 Plan during the years ended December 31, 2024 and 2023. During the years ended December 31, 2024 and 2023, there were no grants that expired or forfeited.

All options under the 2009 Plan are equity-settled, in accordance with IFRS 2, by award of options to acquire ordinary shares or award of ordinary shares. The fair value of these awards has been calculated at the date of grant of the award. The fair value, adjusted for an estimate of the number of awards that will eventually vest, is expensed using a graded vesting methodology. The fair value of the options granted was calculated using a Black-Scholes model. Changes in the assumptions can affect the fair value estimate of a Black-Scholes model. The assumptions used in the calculation are set out below.

During the year ended December 31, 2024, AMG recorded compensation expense from equity-settled option transactions of \$20 (2023: \$128) which is included in selling, general and administrative expenses in the income statement.

Movements

	2024		2023	
	Number of options (in 000s)	Weighted average exercise price (in €)	Number of options (in 000s)	Weighted average exercise price (in €)
Outstanding at January 1	305	25.37	305	25.37
Granted during the year	—	—	—	—
Exercised during the year	—	—	—	—
Forfeited or expired during the year	—	—	—	—
Outstanding at December 31	305	25.37	305	25.37
Exercisable at December 31	305	25.37	233	27.24

At December 31, 2024, the number of common shares subject to options outstanding and exercisable was as follows:

Price range	Outstanding options	Weighted average exercise price (in €)	Weighted average remaining life (in years)	Exercisable options	Weighted average exercise price (in €)
€19.31 to €25.50	220,152	21.44	4.22	220,152	15.46
€31.43 to €44.24	85,251	35.51	3.93	85,251	9.91

At December 31, 2023, the number of common shares subject to options outstanding and exercisable was as follows:

Price range	Outstanding options	Weighted average exercise price (in €)	Weighted average remaining life (in years)	Exercisable options	Weighted average exercise price (in €)
€19.31 to €25.50	220,152	21.44	5.22	147,931	14.26
€31.43 to €44.24	85,251	35.51	4.93	85,251	12.98

The maximum number of options that can be granted is 10% of total shares outstanding up to a maximum of 50,000,000. As of December 31, 2024, the total options outstanding under the 2009 Plan were 305,403 (2023: 305,403).

Assumptions

Under IFRS 2, the return on capital employed vesting condition is deemed to be a non-market performance condition. In accounting for non-market performance conditions, the Company recognizes expense based on the number of equity instruments that are expected to vest at the grant date. The Company revises that estimate, if necessary, if subsequent information indicates that the number of equity instruments expected to vest differs from previous estimates.

Performance share units

In May 2009, the Annual General Meeting approved a remuneration policy that utilizes share-based payments as a part of compensation. This policy was subsequently amended by the May 2021 Annual General Meeting as discussed previously. In the year ended December 31, 2024, the Company issued 392,114 (2023: 158,834) PSU's under the 2021 Plan to members of the Company's management which are share-settled. The PSU's granted to each employee on any date will vest on the third

anniversary of the grant date. As these awards will be equity-settled, the balance is recorded in equity rather than as a liability in accordance with IFRS 2.

AMG utilized a Monte Carlo simulation to develop a valuation of the PSU awards. This calculation was performed on the date of issuance. The following table lists the inputs into the model used to calculate the fair value of the equity-settled performance share units that were granted 2021 through 2024:

	2024 Grant	2023 Grant	2022 Grant
Fair value at grant date	€20.14	€35.22	€35.98
Share price at date of grant	€21.11	€38.92	€32.74
Contractual life at issuance (years)	2.8	2.8	3.0
Expected volatility	45.7%	45.6%	50.2%
Discount for lack of marketability ¹	14.0%	14.0%	14.0%
Expected departures at grant	8%	8%	—

1) Discount for lack of marketability applies only to members of the AMG Management Board.

The expected volatility was calculated using the average share volatility of the Company (over a period equal to the expected term of the shares). The expected life is the time at which shares will vest. For the risk-free rate, the Company utilized the relevant central bank rate curve for the currency of its peer group's respective share prices for the 2024 grants. The risk free rate does not have a significant impact on the valuation of the awards. The discount for lack of marketability is a factor that is specifically relevant and applicable in the context of the management board.

The Company recorded expense of \$5,097 (2023: \$3,609) related to these awards during the year, which is net of \$16 (2023: \$12) of expense that was allocated to non-controlling interests. AMG's expense related to equity-settled awards is recorded in equity.

In the year ended December 31, 2024, 395 PSUs were forfeited (2023: 1,218). The total number of equity-settled PSUs outstanding as of December 31, 2024 was 632,692 (2023: 331,134).

During the year ended December 31, 2024, the Company again awarded PSU's to employees of the Company as well as to the members of the Management Board. As such, the 2024 awards assume an 8% forfeiture rate, which approximates the Company's historical rate of departures. Since the 2022 awards were only granted to members of the Management Board, the Company assumed no forfeitures for those awards given the historical rate of departures for members of the Management Board.

The PSU awards include a performance multiplier which can range from 0x – 1.75x the target award based on the Company's share price performance relative to its peers.

The Company achieved 0.0x multiplier for the 2021 grant and as such these awards did not vest in 2024 (2023: 1.75x). During the year ended December 31, 2024, nil shares (2023: 415,116) were paid out with respect to the vesting of equity-settled performance share units granted in 2021.

Under the 2021 PSU plan, PSU awards now vest on December 31st. Based on AMG's total shareholder return relative to its peer group, the 2022 awards achieved 0.0x multiplier.

Restricted share units

In May 2021, the AMG Management Board approved an RSU plan that provides share-based payments as a component of compensation to employees of the Company. In the year ended December 31, 2024, the Company issued nil (2023: nil) RSU's to employees which are share-settled under the new plan. The RSU's granted to each employee will vest on the third anniversary of the grant date. The vesting is subject only to service conditions provided that the employee has remained continuously in the employment of the Company or a Group Company until the vesting date. In the event that the Supervisory Board has approved to pay-out any dividends to shareholders of the Company, the equivalent of the cash amount of the dividend will be converted to incremental RSU's to be awarded upon the vesting date to employees. As these awards will be equity-settled, the balance is recorded in equity rather than as a liability in accordance with IFRS 2. There were no RSU's granted during the year ended December 31, 2024. The Company recorded expense of \$960 (2023: \$2,062) related to the outstanding RSU's in the year ended December 31, 2024, which is net of an 8% forfeiture rate based on the expected departures at the grant date.

In the year ended December 31, 2024, 1,428 RSUs were forfeited (2023: 2,230). The total number of equity-settled RSUs outstanding as of December 31, 2024 was 75,171 (2023: 151,039).

24. Provisions

	Environmental remediation costs and recoveries	Restructuring	Warranty	Cost estimates	Partial retirement	Restoration costs	Other	Total
Balance at January 1, 2023	4,823	1,106	2,761	3,258	535	8,897	1,282	22,662
Provisions made during the period	313	9,817	3,985	4,569	—	1	1,263	19,948
Provisions reversals during the period	—	(324)	(2,144)	(2,418)	(64)	—	(153)	(5,103)
Provisions used during the period	(570)	(5,552)	(223)	(628)	—	—	(102)	(7,075)
Increase due to discounting	9	—	—	—	—	1,070	—	1,079
Currency and transfers	150	(1,357)	82	150	18	3,530	71	2,644
Balance at December 31, 2023	4,725	3,690	4,461	4,931	489	13,498	2,361	34,155
Balance at January 1, 2024	4,725	3,690	4,461	4,931	489	13,498	2,361	34,155
Provisions made during the period	449	3,856	1,915	4,034	11	4	291	10,560
Provisions reversals during the period	—	(19)	(2,505)	(1,981)	—	—	(163)	(4,668)
Provisions used during the period	(1,039)	(4,893)	(305)	(2,273)	—	—	(89)	(8,599)
(Decrease) increase due to discounting	(173)	—	—	—	—	657	—	484
Currency and transfers	(149)	(1,194)	(234)	(290)	(30)	(742)	(146)	(2,785)
Balance at December 31, 2024	3,813	1,440	3,332	4,421	470	13,417	2,254	29,147
Non-current	2,666	—	—	—	489	13,090	1,706	17,951
Current	2,059	3,690	4,461	4,931	—	408	655	16,204
Balance at December 31, 2023	4,725	3,690	4,461	4,931	489	13,498	2,361	34,155
Non-current	2,721	—	—	—	470	13,417	1,701	18,309
Current	1,092	1,440	3,332	4,421	—	—	553	10,838
Balance at December 31, 2024	3,813	1,440	3,332	4,421	470	13,417	2,254	29,147

Environmental remediation costs and recoveries

The Company makes provisions for environmental clean-up requirements, largely resulting from historical solid and hazardous waste handling and disposal practices at facilities of certain of its subsidiaries. Environmental remediation provisions exist at the following sites and are discounted according to the timeline of expected payments. Due to timing and low interest rates, the undiscounted and discounted liability amounts do not differ significantly, except with respect to the liabilities in the US.

Cambridge, OH USA

The most significant items at the Cambridge, Ohio site relate to a 1997 permanent injunction consent order ("PICO") entered into with the State of Ohio and Cyprus Foote Mineral Company, the former owner of the site. While AMG's US subsidiary, AMG Vanadium LLC (AMGV) and Cyprus Foote are jointly liable, AMGV has agreed to perform and be liable for the remedial obligations. The site contains two on-site slag piles that are the result of many years of production. These slag piles were capped in 2009, in accordance with the PICO requirements, thereby lowering the radioactive emissions from the piles.

The PICO also required 1,000 years of operations and maintenance expenses ("O&M") through the year 3009 at the site. AMGV has reserved for ongoing O&M which is expected to cost \$43,609 on an undiscounted basis and \$1,091 (2023: \$1,270) on a discounted basis. Annual payments for O&M are expected to be \$59 for the next 12 years, declining from that point on. These amounts will be paid out of an environmental trust and annuity which have already been established by the Company. The total value of these trust and annuity assets is \$5,456 (2023: \$5,146) of which \$4,365 (2023: \$3,876) has not been recognized due to the liability amount recorded being less than the value of the assets. One additional provision relates to groundwater monitoring. This project is expected to create cash outflows of \$31 (\$48 on an undiscounted basis), and is expected to be completed within the next 11 years. Discount rates of 4.16% - 4.72% (depending on the expected timing of payments) were used in determining the liabilities recorded.

There were no environmental expenses recorded in the year ended December 31, 2024 (2023: nil) and payments of \$10 (2023: \$26) related to the Cambridge site.

Newfield, NJ USA

The Newfield, NJ site is a former manufacturing facility of the Company's subsidiary, Shieldalloy Metallurgical Corporation (SMC), that ceased manufacturing operations in 2007. The United States Environmental Protection Agency (the "US EPA") and the New Jersey Department of Environmental Protection ("NJDEP") are the regulating authorities in regards to remediation of environmental liabilities identified at the site. The US EPA identified three environmental issues requiring remediation pertaining to contaminants in groundwater, contaminants in soil and sediment and perchlorate in groundwater. The liability associated with the non-perchlorate contaminants was transferred to a third-party in 2006. Refer to note 32 for additional details. SMC maintains responsibility for the remediation activities related to the perchlorate in groundwater.

The NJDEP maintains oversight for the remediation of low-level radioactive materials residing at the site. SMC conducted operations that created a substantial slag pile with low-level radioactive materials. SMC completed negotiations with the NJDEP regarding a removal plan for the Newfield Site in 2016. The remedy consisted of the removal of low level radioactive material for transportation and disposal at an approved licensed disposal facility. During the year ended December 31, 2024, SMC recorded an environmental expense of \$175 (2023: nil) in relation to these activities. As of December 31, 2024, SMC has completed a majority of the requirements under the Decommissioning Plan and made payments of \$559 (2023: \$6,907). Once the final steps are completed, SMC can file for termination of the license to possess low level radioactive materials with the NJDEP. Final license termination is subject to the approval of the NJDEP, and SMC could be required to perform additional activities by the NJDEP before final approval is granted.

A balance of \$509 (2023: \$865) (\$530 on an undiscounted basis) remains in the provision at December 31, 2024. These costs are expected to be paid over the next year, subject to negotiations with the regulatory agencies, and primarily relate to activities associated with perchlorate in groundwater. SMC will perform analysis of perchlorate in groundwater over that timeframe, and based on the results of those studies, SMC will submit final reports to the US EPA for remedy selection.

The remaining accrual represents Management's best estimate given the information available. Given the nature of the activities to be performed, there remains potential uncertainty with respect to the ultimate costs for which currently no reliable estimate can be made and which could be material.

In addition to the removal of the slag pile SMC has agreed to an operations and maintenance agreement (O&M) which resulted in a provision balance of \$81 at December 31, 2024 (2023: \$97).

Remediation trust funds

The Company's US subsidiaries have established trust funds for future environmental remediation payments. The amounts are kept by commercial banks, which are responsible for making investments in equity and money market instruments. The trust funds are to be used according to the terms of the trust deed which require that these funds be used for O&M at the two US sites. Amounts are paid out following completion and approval of rehabilitation work. The assets are not available for general use. The trust funds are discounted and are shown within other non-current assets in the consolidated statement of financial position. The recognized values of the trust funds at December 31, 2024 were \$1,771 (2023: \$1,930). The total amount of the trusts as of December 31, 2024 were \$6,136 (2023: \$5,806).

Pocking, Germany

An environmental remediation liability exists with respect to the silicon metal operation and its waste storage. As of December 31, 2024, the liability for the remediation of this site is valued at \$421 (2023: \$553). There was an expense of nil (2023: nil) and payments of \$135 (2023: \$21) made during 2024. There are expected payments in 2025 of \$375. There was a discount rate of 1.8% used to determine the liability recorded.

Nuremberg, Germany

Over time, damage to the sewer lines from the plant in Nuremberg, Germany has occurred. Management is working with German authorities in order to repair the sewer lines. In the year ended December 31, 2024, there was an expense of \$274 (2023: \$313) and payments of \$335 (2023: \$256). The expected liability for continued work on the sewer rehabilitation project is \$1,680 (2023: \$1,894). Payments for this project are expected to occur over the next 8 years with spending taking place in a relatively consistent pattern over those years. Discount rates of 0.00% - 1.6% (depending on the expected timing of payments) were used in determining the liabilities recorded.

Restructuring

During the year ended December 31, 2024, the Company recorded restructuring expenses of \$2,863 (2023: \$9,547) in cost of good sold and \$993 (2023: \$270) on selling, general and administrative expenses, totaling \$3,856 (2023: \$9,817) which was offset by a reversal of (\$19) (2023: (\$324)). The current year net expense was largely driven by restructuring expenses in our production facility and severance payments in one of our European operations. These expenses were due to efficiency improvement measures in one of our Germany facilities resulting in a headcount reduction of 62.

Restoration, rehabilitation and decommissioning costs

Decommissioning provisions represent the accrued cost required to provide adequate restoration and rehabilitation upon the completion of extraction activities. These amounts will be settled when rehabilitation is undertaken, generally at the end of the project's life.

Hauzenberg, Germany

The Company maintains a recultivation provision related to its graphite mine in Germany. There were no additional expense (2023: nil) and reversal of nil (2023: nil) recorded as of December 31, 2024. The total restoration liability for this mine was \$4,993 as of December 31, 2024 (2023: \$5,368). A discount rate of 2.2% was used to determine the liability recorded.

Nazareno, Brazil

During the year ended December 31, 2024, there was a net increase in the liability of \$294, which totaled \$8,424 as of December 31, 2024 (2023: \$8,130). A discount rate of 10.10% was used to determine the liability recorded. The following table summarizes the activity as of December 31, 2024:

Brazil restoration costs	
Balance at January 1, 2023	4,297
Provisions reversed during the period	—
Provisions made during the period	1
Increase in fixed assets	2,871
Increase due to discounting	486
Translation gain	475
Balance at December 31, 2023	8,130
Balance at January 1, 2024	8,130
Provisions made during the period	4
Increase in fixed assets	1,535
Increase due to discounting	712
Translation loss	(1,957)
Balance at December 31, 2024	8,424
Non-current	7,722
Current	408
Balance at December 31, 2023	8,130
Non-current	8,424
Current	—
Balance at December 31, 2024	8,424

25. Other liabilities

Other liabilities are comprised of the following:

	2024	2023
Accrued bonus	13,646	14,736
Non-controlling interest dividend	8,760	4,170
Other benefits and compensation	8,714	8,502
Contingent consideration	8,459	1,886
Accrued interest	8,309	8,369
Accrued operation costs	7,692	9,692
Accrued employee payroll expenses	7,668	6,986
Accrued professional fees	6,217	6,749
Taxes, other than income	6,207	7,550
Fiscal contingency	5,106	5,690
Bank acceptance notes	4,641	—
Claims	1,760	1,409
Government grants	383	2,954
Other miscellaneous liabilities	2,533	3,143
Total	90,095	81,836
Thereof:		
Non-current	7,384	4,784
Current	82,711	77,052

During the year ended December 31, 2024, our subsidiary in China endorsed \$4,641 (2023: nil) of bank acceptance notes to vendors, as a form of payment for goods and services provided.

During the year ended December 31, 2024 the Company received \$383 (2023: \$2,954) of government grants mainly driven by the Energy Cost Reduction Act and Research Allowance for R&D projects in two of our operations in Germany.

Refer to notes 11 and 29 for additional information on the contingent consideration liability.

26. Trade and other payables

	2024	2023
Trade payables	144,007	174,448
Supplier financing payables	72,123	53,925
Trade payables – contract work	18,104	30,966
Total	234,234	259,339

The Company has limited exposure to payables denominated in currencies other than the functional currency, and where significant exposure exists enters into appropriate foreign exchange contracts.

- Trade payables are generally non-interest bearing and are normally settled on 30 or 60 day terms except for payables related to furnace construction contracts that settle between one month and twelve months. Other payables are non-interest bearing and have an average term of six months.
- Interest payable is normally settled quarterly or semi-annually throughout the financial year.
- For terms and conditions relating to related parties, refer to note 33.

27. Supplier financing arrangements

	2024	2023
Carrying amount of financial liabilities		
Presented in trade and other payables:	72,123	53,925
of which supplier have received payment from finance provider:	65,799	44,030
Range of payment due dates		
Liabilities that are part of the arrangements:	90-120 days	90-120 days
Comparable trade payable that are not part of the arrangements:	5-90 days	5-90 days

Certain subsidiaries of the Company participate in supplier chain financing arrangements with financial institutions to enhance payment flexibility to its suppliers. Under these arrangements, the financial institutions settle supplier invoices on behalf of the Company, and the Company subsequently repays the financial institutions, including fees, based on agreed terms. These arrangements provide the Company with longer payment terms while optimizing working capital. Liabilities under supplier chain financing arrangements are recognized in accordance with IFRS 9, Financial Instruments.

28. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, are comprised of loans and borrowings, short-term bank debt, bank acceptance notes and trade and other payables. The main purpose of these financial instruments is to provide capital for the Company's operations, including funding working capital, capital maintenance and expansion. The Company has various financial assets such as trade and other receivables, cash and cash equivalents and restricted cash, which arise directly from its operations.

The Company enters into derivative financial instruments, primarily interest rate swaps, interest rate caps, cross-currency interest rate swaps, foreign exchange forward contracts, energy forward contracts and commodity forward contracts. The purpose of these instruments is to manage interest rate, currency, energy and commodity price risks. The Company does not enter into any contracts for speculative purposes.

The Supervisory Board has overall responsibility for the establishment of the Company's risk management framework while the Management Board is responsible for oversight and compliance within this framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The main risks arising from the Company's financial instruments are: credit, liquidity and market risks.

Credit risk

The Company's exposure to credit risk with respect to trade and other receivables is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. No single customer accounts for more than 6% of the Company's revenue. There are no geographic concentrations of credit risk. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures which ensure their creditworthiness. In addition, receivable balances are monitored on an ongoing basis to ensure that the Company's exposure to impairment losses is not significant. Collateral is generally not required for trade receivables, although the Company's furnace construction contracts do often require advance payments. The Company's maximum exposure is the carrying amount as discussed in note 14.

With respect to credit risk arising from the other financial assets of the Company, which comprises cash and cash equivalents, restricted cash and derivative instruments, the Company's exposure to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of the instruments. The Company's treasury function monitors the location of cash and cash equivalents, restricted cash and the counterparties to hedges and monitors the strength of those banks. The Company's financial assets are held with bank and financial institution counterparties, which all carry investment-grade credit ratings. Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of impairment allowance at December 31, 2024 is \$1 (2023: \$1). The Company's maximum exposure is the carrying amounts as discussed in notes 16 and 29.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company monitors cash flows at varying levels. At the Company level, this monitoring is done on a bi-weekly basis. However, at several subsidiaries, this type of monitoring is done daily. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of eight weeks, including the servicing of financial obligations. In addition, the Company maintains various borrowing facilities for working capital and general corporate purposes. The Company's primary facility includes the following:

- \$450,000 term loan B facility and a \$200,000 revolving credit facility with a syndicate of banks that is secured by certain assets of the material subsidiaries of the Company. Interest is payable at a base rate plus a spread based on a leverage ratio.

The table below summarizes the maturity profile of the Company's financial liabilities at December 31, 2024, based on contractual undiscounted payments. The financial derivatives obligations are presented on a net basis for balances where it is appropriate to net the obligation position within a subsidiary for the respective period.

2024	Contractual cash flows	< 3 months	3-12 months	2026	2027	2028	2029	> 2029
Term loan / revolver	438,733	1,131	3,392	4,523	4,523	425,164	—	—
Cash interest on term loan	116,363	4,139	21,367	25,995	33,950	30,912	—	—
Municipal bond	307,200	—	—	—	—	—	—	307,200
Cash interest on municipal bond	384,000	2,560	12,800	15,360	15,360	15,360	15,360	307,200
Other loans and borrowings	134	133	1	—	—	—	—	—
Financial derivatives	4,441	2,181	1,585	675	—	—	—	—
Lease payments	70,818	1,666	6,157	6,430	5,690	4,767	3,898	42,210
Trade and other payables	234,234	204,419	29,815	—	—	—	—	—
Bank acceptance notes	4,641	3,091	1,550	—	—	—	—	—
Short-term bank debt	10,435	4,411	6,024	—	—	—	—	—
Total	1,570,999	223,731	82,691	52,983	59,523	476,203	19,258	656,610

The table below summarizes the maturity profile of the Company's financial liabilities at December 31, 2023 based on contractual undiscounted payments.

2023	Contractual cash flows	< 3 months	3-12 months	2025	2026	2027	2028	> 2028
Term loan / revolver	343,000	875	2,625	3,500	3,500	3,500	329,000	—
Cash interest on term loan	97,050	4,286	13,169	17,135	17,508	23,387	21,565	—
Municipal bond	307,200	—	—	—	—	—	—	307,200
Cash interest on municipal bond	399,360	2,560	12,800	15,360	15,360	15,360	15,360	322,560
Other loans and borrowings	5,427	522	2,098	728	679	679	721	—
Cash interest on other loans and borrowings	671	126	379	164	2	—	—	—
Financial derivatives	2,855	949	1,484	308	114	—	—	—
Lease payments	74,360	1,667	5,639	5,069	5,084	4,901	4,277	47,723
Trade and other payables	259,339	207,859	51,480	—	—	—	—	—
Short-term bank debt	7,678	812	6,866	—	—	—	—	—
Total	1,496,940	219,656	96,540	42,264	42,247	47,827	370,923	677,483

The difference between the contractual cash flows and the carrying amount of the term loan noted above is attributable to issuance costs and an original issue discount in the amount of \$6,773 and \$5,598 as of December 31, 2024 and 2023, respectively, which are offset against the carrying amount of the debt.

The difference between the contractual cash flows and the carrying amount of the municipal bond noted above is attributable to issuance costs and a premium in the amount of \$11,547 as of December 31, 2024 (2023: \$11,802), which are included in the carrying amount of the debt.

The lease payments noted above include both principal and interest for the lease liabilities.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate, foreign currency, and commodity price risk. Financial instruments affected by market risk include loans and borrowings, derivative financial instruments, trade and other receivables, trade and other payables, and bank acceptance notes.

The sensitivity analyses in the following sections relate to the positions as of December 31, 2024 and 2023.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of the hedge designations in place at December 31, 2024.

The analyses exclude the impact of movements in market variables on the carrying value of pension and other post-retirement obligations, provisions and on the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analyses:

- The statement of financial position sensitivity relates to derivatives.
- The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks.

This is based on the financial assets and financial liabilities held at December 31, 2024 and 2023, including the effect of hedge accounting.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect the Company's income or the value of its holdings of financial instruments. The Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Company's floating rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not exposed to interest rate risk.

The Company's policy is to maintain at least 75% of its borrowings as fixed or capped rate borrowings. The Company either enters into fixed rate debt or strives to limit the variability of floating rate instruments through the use of interest rate swaps or caps. These are designed to hedge underlying debt obligations. At December 31, 2024 and 2023, after considering the effect of interest rate hedges, all of the Company's loans and borrowings are at a fixed or capped rate of interest.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates adjusting for multiple interest rate caps and swaps effective as of December 31, 2024 and 2023, with all other variables held constant, of the Company's profit before tax (through the impact on floating rate borrowings).

2024	Increase/decrease in basis points	Effect on profit before tax	Effect on equity before tax
US dollar	+50	—	3,788
Brazilian real	+50	(4)	—
US dollar	-50	—	(3,788)
Brazilian real	-50	4	—

2023	Increase/decrease in basis points	Effect on profit before tax	Effect on equity before tax
US dollar	+50	—	4,118
Brazilian real	+50	(11)	—
US dollar	-50	—	(4,118)
Brazilian real	-50	11	—

See note 20 for loans and borrowings explanations.

At December 31, 2024, the Company's interest rate derivatives had a fair value of \$15,433 (2023: \$22,851). In November 2021, the Company entered into interest rate swaps with two financial institutions in connection with the execution of its new credit facility and unwound its prior interest rate caps. The original notional value of the swaps was \$450,000, and the notional decreases over the term of the contract to align with the outstanding balance on the Company's term loan B. The objective of the hedge is to eliminate the variability of cash flows in the interest payments associated with the 1-month SOFR benchmark interest rate of the term loan B. The contract swaps the variable 1-month SOFR rate to a fixed rate of 1.50% over the expected life of the term loan B. The Company's Credit Agreement and interest rate swap included a hardwired transition process from LIBOR to SOFR, as the successor benchmark reference rate as referenced in note 20. Mechanically the transition was executed as an amendment, but the original loan agreement contemplated this option, so the transition to SOFR does not represent a modification of the original agreements.

Foreign currency risk

Foreign currency risk is the risk that changes in foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. Many of the Company's subsidiaries are located outside the US. Individual subsidiaries execute their operating activities in their respective functional currencies which are primarily comprised of the US dollar and euro. Since the financial reporting currency of the Company is the US dollar, the financial statements of those non-US dollar operating subsidiaries are translated so that the financial results can be presented in the Company's consolidated financial statements.

Each subsidiary conducting business with third parties that leads to future cash flows denominated in a currency other than its functional currency is exposed to the risk from changes in foreign exchange rates. It is the Company's policy to use forward currency contracts to minimize the currency exposures on net cash flows. For several subsidiaries, this includes managing balance sheet positions in addition to forecast and committed transactions. For these contracts, maturity dates are established at the end of each month matching the net cash flows expected for that month. Another subsidiary hedges all sales transactions in excess of a certain threshold. For this subsidiary, the contracts mature at the anticipated cash requirement date. Most forward exchange contracts mature within twelve months and are predominantly denominated in US dollars, euros, British pound sterling and Brazilian reais. When established, the forward currency contract must be in the same currency as the hedged item. It is the Company's policy to negotiate the terms of the hedge derivatives to closely match the terms of the hedged item to maximize hedge effectiveness. The Company seeks to mitigate this risk by hedging a range of 60% to 90% of transactions that occur in a currency other than the functional currency. The Company does not hedge its intergroup balance sheet exposures as well as long-term operating costs in Brazil.

The Company deems its primary currency exposures to be in US dollars and euros. The following table demonstrates the sensitivity to a reasonably possible change in the two primary functional currencies of the Company: US dollar and euro exchange rates with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Company's equity (due to changes in the fair value of forward exchange contracts). Changes in sensitivity rates reflect various changes in the economy year-over-year.

2024	Strengthening/ weakening in functional rate	Effect on profit before tax	Effect on equity before tax
US dollar	+10%	1,865	231
Euro	+10%	485	(4,487)
US dollar	-10%	(1,865)	(231)
Euro	-10%	(485)	4,487
2023	Strengthening/ weakening in functional rate	Effect on profit before tax	Effect on equity before tax
US dollar	+10%	(6,311)	357
Euro	+10%	2,288	(1,988)
US dollar	-10%	6,311	(357)
Euro	-10%	(2,288)	1,988

Commodity price risk

Commodity price risk is the risk that raw materials prices will increase and negatively impact the gross margins and operating results of the Company. The Company is exposed to volatility in the prices of raw materials used in some products and uses forward contracts to manage these exposures for exchange-traded metals when possible. For these exchange-traded metals, the Company aims to maintain a greater than 50% hedged position in order to avoid undue volatility in the sales prices and purchase costs attained in the normal course of business. Commodity forward contracts are generally settled within twelve months of the reporting date. However, most of the metals, alloys and chemicals that the Company processes and sells such as lithium, vanadium, chrome metal, tantalum, graphite, niobium, and antimony trioxide, cannot be hedged on an exchange or there is insufficient liquidity on the exchange. For these materials, the Company mitigates its price exposure by aligning raw materials purchases with sales orders and ensuring that it is managing working capital in a manner that minimizes commodity price exposure.

Capital management

With regard to its capital structure the primary objective of the Company is to maintain strong capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of economic conditions. Its policy is to ensure that the debt levels are manageable to the Company and that they are not increasing at a level that is in excess of the increases that occur within equity. During the planning process, the expected cash flows of the Company are evaluated and the debt to equity and debt to total capital ratios are evaluated in order to ensure that levels are improving year-over-year. Debt to total capital is a more appropriate measure for the Company due to its initial equity values of the subsidiaries from the combination in 2007. Management deems total capital to include all debt (including short-term and long-term) as well as the total of the equity of the Company, including non-controlling interests.

	2024	2023
Loans and borrowings	753,396	661,831
Short-term bank debt	10,435	7,678
Less: cash and cash equivalents and restricted cash	295,777	346,759
Net debt	468,054	322,750
Total equity	550,151	606,003
Total capital	1,018,205	928,753
Debt to total capital ratio	46.0%	34.8%

29. Financial Instruments

Fair values

The carrying amounts presented in the financial statements approximate the fair values for all of the Company's financial instruments, other than as discussed below.

The fair value of the financial assets and liabilities are included at the price that would be received to sell the instrument in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions.

- Current assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and as such are not included in the following tables.
- The calculation of fair value for derivative financial instruments depends on the type of instruments: Derivative interest rate contracts are estimated by discounting expected future cash flows using current market interest rates and yield curves over the remaining term of the instrument; Derivative currency and commodity contracts are based on quoted forward exchange rates and commodity prices, respectively.
- The Company's term loan B is a floating rate borrowing and is carried at amortized cost. The fair value of the term loan B was \$437,636 (2023: \$341,714) at December 31, 2024. The Company's municipal bonds are fixed rate borrowings and are carried at amortized cost. The fair value of those bonds was \$285,979 (2023: \$277,380) at December 31, 2024. The fair value of the term loan and municipal bonds is based on quoted prices for similar securities adjusted for the prevailing market-based yields and are deemed to be Level 2 inputs. The remainder of the Company's borrowings and notes receivable maintain a floating interest rate and approximate fair value. Fair value of the Company's floating rate loans and borrowings are estimated by discounting expected future cash flows using a discount rate that reflects the Company's borrowing rate at December 31, 2024.

- The consideration of non-performance risk did not significantly impact the fair values for fixed and floating rate loans and borrowings.
- Contingent consideration is calculated using a valuation model that considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

As of December 31, 2024, the Company held the following financial instruments measured at fair value:

Assets measured at fair value

December 31, 2024	Total	Level 1	Level 2	Level 3
Non-current financial assets				
Restricted cash	493	493	—	—
Equity investments classified as FVOCI (note 11)	21,619	—	—	21,619
Other investments (note 11)	25,027	14,612	—	10,415
Forward contracts – hedged	60	—	60	—
Interest rate derivatives	15,461	—	15,461	—
Current financial assets				
Restricted cash	1,030	1,030	—	—
Forward contracts - hedged	4,447	—	4,447	—
Energy forward contracts	130	—	130	—

Liabilities measured at fair value

December 31, 2024	Total	Level 1	Level 2	Level 3
Non-current financial liabilities				
Forward contracts – hedged	660	—	660	—
Contingent consideration	4,093	—	—	4,093
Current financial liabilities				
Forward contracts - hedged	3,476	—	3,476	—
Interest rate derivatives	28	—	28	—
Energy forward contracts	277	—	277	—
Contingent consideration	4,366	—	—	4,366

As of December 31, 2023, the Company held the following financial instruments measured at fair value:

Assets measured at fair value

December 31, 2023	Total	Level 1	Level 2	Level 3
Non-current financial assets				
Restricted cash	387	387	—	—
Equity investments classified as FVOCI (note 11)	14,557	—	—	14,557
Other investments (note 11)	23,603	15,079	—	8,524
Forward contracts – hedged	54	—	54	—
Interest rate derivatives	22,793	—	22,793	—
Current financial assets				
Restricted cash	1,064	1,064	—	—
Forward contracts – hedged	3,321	—	3,321	—
Interest rate derivatives	63	—	63	—
Energy forward contracts	13	—	13	—

Liabilities measured at fair value

December 31, 2023	Total	Level 1	Level 2	Level 3
Non-current financial liabilities				
Forward contracts – hedged	26	—	26	—
Interest rate derivatives	1	—	1	—
Contingent consideration	1,886	—	—	1,886
Current financial liabilities				
Forward contracts – hedged	1,495	—	1,495	—
Interest rate derivatives	4	—	4	—
Energy forward contracts	1,329	—	1,329	—

During the years ended December 31, 2024 and 2023, there were no transfers between Level 1, Level 2, and Level 3 fair value measurements.

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

	Equity Securities	Contingent Consideration
Balance at January 1, 2023	21,102	2,293
Additions	990	—
Change in fair value	989	(495)
Foreign currency adjustments	—	88
Balance at December 31, 2023	23,081	1,886
Additions	639	8,640
Change in fair value	8,314	(1,940)
Foreign currency adjustments	—	(127)
Balance at December 31, 2024	32,034	8,459

Hedging activities

Interest rate hedges

The Company entered into interest rate swap contracts with two financial institutions in connection with the execution of its credit facility. The contracts have a notional value equivalent to the total balance of the term loan B. The contracts swap the variable interest payments on the term loan B to fixed payments of interest. The interest rate swaps were executed so that the Company could hedge its exposure to changes in the benchmark interest rate on the term loan B facility. The Company has matched the critical terms of the swaps to the term loan B and consequently has designated the interest rate swaps as effective cash flow hedges. The amount of gains related to the interest rate hedges included in equity was \$14,456 and \$21,273 at December 31, 2024 and 2023, respectively. The amount included in equity is anticipated to impact the income statement through November 2026, which is the term of the contracts. During the years ended December 31, 2024 and 2023, (\$13,484) and \$(12,682) was transferred from equity to the income statement as a decrease to finance costs. There was no ineffectiveness for contracts designated as cash flow hedges during the years ended December 31, 2024 and 2023, respectively.

The Company also continues to maintain derivative contracts with a financial institution to mitigate its exposure to changes in the benchmark interest rate on portions of its Brazilian subsidiary debt. The contracts include interest rate swaps and cross-currency interest rate swaps, which the Company has not designated for hedge accounting. All gains and losses are recognized in profit and loss. During the year ended December 31, 2024, nil (2023: \$550) of gains (losses) related to these outstanding interest rate derivatives were recorded to finance costs in the income statement.

Commodity forward contracts

The Company is exposed to volatility in the prices of raw materials used in some products and uses commodity forward contracts to manage these exposures. Such contracts generally mature within twelve months. Commodity forward contracts have been designated as cash flow hedges and contracts not designated as cash flow hedges are immediately recognized in cost of sales.

The open US dollar denominated forward contracts to purchase commodities contracts as of December 31, 2024 are as follows:

	Metric tons	Average price	Fair value assets	Fair value liabilities
Aluminum forwards	1,825	2,576	52	(64)

The open US dollar denominated forward contracts to purchase commodities contracts as of December 31, 2023 are as follows:

	Metric tons	Average price	Fair value assets	Fair value liabilities
Aluminum forwards	3,210	2,196	325	(172)

The amount from the commodity cash flow hedges included in equity was (\$21) and \$667 in the years ended December 31, 2024 and 2023, respectively. The amount included in equity is anticipated to impact the income statement over the next 12 months. During the years ended December 31, 2024 and 2023, (\$26) and \$217, respectively, were transferred from equity to the income statement as increases to cost of sales. There was no ineffectiveness for contracts designated as cash flow hedges during the years ended December 31, 2024 and 2023.

Foreign currency forward contracts

At any point in time, the Company also uses foreign exchange forward contracts to hedge a portion of its estimated foreign currency exposure in respect of forecasted sales and purchases. These contracts are negotiated to match the terms of the commitments and generally mature within two years. When necessary, these contracts are rolled over at maturity. Foreign exchange forward contracts that are not part of a hedge relationship are held at fair value with fair value changes recognized through profit or loss.

The open foreign exchange forward sales contracts as of December 31, 2024 are as follows:

Exposure	Notional amount	Contract rate	Fair value assets	Fair value liabilities
Cash Flow Hedges				
EUR (versus USD)	€13.6 million	0.94	303	(19)
USD (versus EUR)	\$63.8 million	1.10	—	(2,143)

The open foreign exchange forward sales contracts as of December 31, 2023 are as follows:

Exposure	Notional amount	Contract rate	Fair value assets	Fair value liabilities
Cash Flow Hedges				
EUR (versus USD)	€5.6 million	0.92	26	(155)
USD (versus EUR)	\$36.0 million	1.10	1,150	(555)

The open foreign exchange forward purchase contracts as of December 31, 2024 are as follows:

Exposure	Notional amount	Contract rate	Fair value assets	Fair value liabilities
Cash Flow Hedges				
USD (versus EUR)	\$108.3 million	1.096	3,861	(66)
EUR (versus USD)	€28.7 million	0.917	8	(1,361)
GBP (versus USD)	£27.5 million	1.272	1	(483)
CNY (versus EUR)	¥86.5 million	0.131	282	—

The open foreign exchange forward purchase contracts as of December 31, 2023 are as follows:

Exposure	Notional amount	Contract rate	Fair value assets	Fair value liabilities
Cash Flow Hedges				
USD (versus EUR)	\$39.8 million	1.089	124	(586)
EUR (versus USD)	€25.2 million	0.922	624	—
GBP (versus USD)	£24.9 million	1.256	496	(14)
CNY (versus USD)	¥65.2 million	0.129	630	(39)

The amounts from the foreign currency cash flow hedges included in equity were \$1,342 and \$259 in the years ended December 31, 2024 and 2023, respectively. The amount included in equity is anticipated to impact the income statement over the next two years. During the years ended December 31, 2024 and 2023, (\$2,187) and \$(1,530), respectively, were transferred from equity to the income statement as (decreases) increases to cost of sales and selling, general, and administrative expenses. There was nil (2023: nil) recognized in profit or loss during the year ended December 31, 2024 due to ineffectiveness.

Energy forward contracts

The Company is exposed to volatility in the prices of energy that it consumes as part of its operations. The Company enters into fixed price energy forward contracts to manage this exposure. In most cases, the Company enters into forward energy contracts with the expectation that the contract will result in the physical delivery of the underlying gas or electricity in accordance with the Company's operational usage requirements. As such, the energy forward contracts generally qualify for the scope exemption under IFRS 9 and are not recognized as financial instruments. However, for a German subsidiary, a portion of the contracts will be settled in cash rather than through physical delivery of the underlying energy and do not qualify under the scope exemption of IFRS 9 as a result. Consequently, these specific contracts are recorded as derivative instruments. These contracts generally mature within twelve months. The energy forward contracts have been designated as cash flow hedges.

The open energy forward contracts as of December 31, 2024 are as follows:

	Megawatt hours	Average price	Fair value assets	Fair value liabilities
Energy forward contracts	30,382	€77.86	130	(277)

The open energy forward contracts as of December 31, 2023 are as follows:

	Megawatt hours	Average price	Fair value assets	Fair value liabilities
Energy forward contracts	48,398	€91.91	13	(1,329)

30. Leases

Leases as lessee

The Company has entered into leases for office space, facilities and equipment. The leases generally provide that the Company pays the tax, insurance and maintenance expenses related to the leased assets. These leases have an average original term of 5-7 years with renewal terms at the option of the lessee and lease payments based on market prices at the time of renewal. There are no restrictions placed upon the lessee by entering into these leases.

Set out below are the carrying amounts of the Company's right-of-use assets, which are included in property, plant and equipment in the statement of financial position, and lease liabilities as well as the movements during the period:

	Right-of-use assets			Total	Lease liabilities
	Land, buildings and improvements	Machinery and equipment	Furniture and fixtures		
January 1, 2023	44,047	2,985	550	47,582	48,934
Additions	5,030	2,369	341	7,740	7,740
Retirements and transfers	—	33	(43)	(10)	(46)
Depreciation expense	(4,810)	(1,349)	(345)	(6,504)	—
Interest expense	—	—	—	—	1,821
Payments	—	—	—	—	(7,585)
Foreign currency translation	1,286	62	15	1,363	1,490
December 31, 2023	45,553	4,100	518	50,171	52,354
January 1, 2024	45,553	4,100	518	50,171	52,354
Additions	4,664	1,991	860	7,515	7,515
Retirements and transfers	252	(3)	—	249	205
Depreciation expense	(5,169)	(1,620)	(341)	(7,130)	—
Interest expense	—	—	—	—	2,041
Payments	—	—	—	—	(8,554)
Foreign currency translation	(2,106)	(99)	(332)	(2,537)	(2,769)
December 31, 2024	43,194	4,369	705	48,268	50,792

The Company recognized rent expense from short-term leases of \$1,529 (2023: \$839) and leases of low-value assets of \$282 (2023: \$255) for the year ended December 31, 2024.

31. Capital commitments

The Company's capital expenditures include projects to improve the Company's operations and productivity, replacement projects and ongoing environmental requirements (which are in addition to expenditures discussed in note 24). As of December 31, 2024, the Company had committed to capital requirements in the amount of \$22,969 (2023: \$30,847). These capital commitments related primarily to the expansion on the lithium concentrate plant in Brazil, the lithium hydroxide refinery in Bitterfeld, Germany and the vanadium electrolyte plant at AMG Titanium in Nuremberg, Germany.

32. Contingencies

Guarantees

The following table outlines the Company's off-balance sheet guarantees and letters of credit for the benefit of third parties as of December 31, 2024 and 2023:

2024	Guarantees	Letters of credit	Total
Total amounts committed:	167,324	53,230	220,554
Less than 1 year	53,719	53,230	106,949
2–5 years	111,361	—	111,361
After 5 years	2,244	—	2,244

2023	Guarantees	Letters of credit	Total
Total amounts committed:	160,620	36,893	197,513
Less than 1 year	87,829	36,893	124,722
2–5 years	71,373	—	71,373
After 5 years	1,418	—	1,418

In the normal course of business, the Company has provided indemnifications in various commercial agreements which may require payment by the Company for breach of contractual terms of the agreement. Counterparties to these agreements provide the Company with comparable indemnifications. The indemnification period generally covers, at maximum, the period of the applicable agreement plus the applicable limitations period under the law. The maximum potential amount of future payments that the Company would be required to make under these indemnification agreements is not reasonably quantifiable as some indemnifications are not subject to limitation. However, the Company enters into indemnification agreements only when an assessment of the business circumstances would indicate that the risk of loss is remote.

The Company has agreed to indemnify its current and former directors and officers to the extent permitted by law against any and all charges, costs, expenses, amounts paid in settlement and damages incurred by the directors and officers as a result of any lawsuit or any other judicial administrative or investigative proceeding in which the directors and officers are sued as a result of their service. These indemnification claims will be subject to any statutory or other legal limitation period. The nature of such indemnification prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay to counterparties. The Company has \$100,000 in directors' and officers' liability insurance coverage.

Environmental

In 2006, SMC a US subsidiary of the Company entered into a fixed price remediation contract with an environmental consultant, whereby that consultant became primarily responsible for aspects of the environmental remediation. SMC is still a secondary obligor for this remediation, in the event that the consultant does not perform.

Certain of the Company's subsidiaries have other contingent liabilities related to environmental regulations at several locations. Environmental regulations in France require monitoring of wastewater and potential clean-up to be performed at one of the French subsidiary's plant sites in Chauny. Although the extent of these issues is not yet known, there is a possibility that remediation costs could be incurred.

As discussed in note 24, a German subsidiary of the Company has a sewer system liability, which is in the process of being resolved via a sewer replacement project. Based on the liability associated with the sewer, it is also believed that there may be a groundwater contamination issue. This German subsidiary has performed remediation feasibility trials but has not received a demand from the government with respect to any potential wider groundwater treatment and it has recorded no provision for this, but it is possible that some remediation will eventually be required. The Company believes that the maximum exposure related to this contamination is \$10,000.

Taxation

The Brazilian subsidiary has established provisions related to potential tax exposure matters such as: (i) income tax on previous years calculations; (ii) taxes over other revenues; (iii) federal and state VAT credits disallowances; (iv) mining royalties; (v) taxes over bonus; (vi) discussion about ancillary obligations. Not all of these matters are pending legal action, and some of these matters are maintained pending applicable statute of limitations. The accrued amounts include potential penalties and interest exposure and are based upon the input of the Company's advisors as to probability evaluation and payable nature to such matters. The amount accrued for all such matters was \$5,106 as of December 31, 2024.

Litigation

The Company and its subsidiaries are party to various pending or threatened legal actions and other proceedings that arise in the ordinary course of our business, including matters arising under provisions relating to the protection of the environment. These types of matters could result in compensatory damages, cost reimbursements or contributions, penalties, non-monetary

sanctions, or other relief. We believe the probability is remote that the outcome of each of these matters will have a material adverse effect on the Company as a whole. We cannot predict the outcome of legal or other proceedings with certainty.

33. Related parties

Transactions with key management personnel

Key management personnel compensation

The Company considers the members of the Management Board and the Supervisory Board to be the key management personnel as defined in IAS 24 Related parties. Refer to note 23 for further details.

For remuneration details of the Management Board and the Supervisory Board, see below.

The compensation of the Management Board of the Company comprised:

For the year ended December 31, 2024	Salaries and bonus	Share-based compensation	Post-employment benefits including contributions to defined contribution plans	Other remuneration ²	Total
Heinz Schimmelbusch	2,699	1,935	308	259	5,201
Eric Jackson	1,772	724	256	788	3,540
Jackson Dunckel	1,450	569	455	55	2,529
Michael Connor ¹	886	181	33	14	1,114
Total	6,807	3,409	1,052	1,116	12,384

1) Michael Connor was elected to the Management Board on May 8, 2024.

2) Other remuneration includes car expenses and insurance paid for by the Company.

For the year ended December 31, 2023	Salaries and bonus	Share-based compensation	Post-employment benefits including contributions to defined contribution plans	Other remuneration ¹	Total
Heinz Schimmelbusch	3,096	1,875	1,231	809	7,011
Eric Jackson	1,996	717	2,437	76	5,226
Jackson Dunckel	1,608	552	2,310	92	4,562
Total	6,700	3,144	5,978	977	16,799

1) Other remuneration includes car expenses and insurance paid for by the Company.

Each member of the Management Board has an employment contract with the Company which provides for severance in the event of termination without cause. The maximum severance payout is limited to two years base salary and two years of target annual bonus.

The compensation of the Supervisory Board of the Company comprised:

For the year ended December 31, 2024	Cash remuneration	Share-based remuneration	Total compensation
Steve Hanke	110	65	175
Willem van Hassel	75	43	118
Herb Depp	80	38	118
Donatella Ceccarelli	80	38	118
Warmolt Prins	65	38	103
Anne Roby	80	38	118
Dagmar Bottenbruch	42	25	67
Total	532	285	817

For the year ended December 31, 2023	Cash remuneration	Share-based remuneration	Total compensation
Steve Hanke	110	64	174
Willem van Hassel	83	42	125
Herb Depp	80	37	117
Donatella Ceccarelli	80	37	117
Dagmar Bottenbruch	23	13	36
Anne Roby	52	25	77
Warmolt Prins	65	37	102
Total	493	255	748

Total Management Board and Supervisory Board Compensation for the year ended:	Cash remuneration	Share-based compensation	Post-employment benefits including contributions to defined contribution plans	Other remuneration ¹	Total
December 31, 2024	7,339	3,694	1,052	1,116	13,201
December 31, 2023	7,208	3,400	5,978	977	17,563

1) Other remuneration includes car expenses and insurance paid for by the Company.

Entities with significant influence over the company

Foundation

In July 2010, the foundation “Stichting Continuïteit AMG” (“Foundation”) was established following the resolution adopted at its Annual Meeting on May 12, 2010. The board of the Foundation consists of three members, all of whom are independent of AMG. The purpose of the Foundation is to safeguard the interests of the parent company, the enterprise connected therewith and all the parties having an interest therein and to exclude as much as possible influences which could threaten, amongst other things, the continuity, independence and identity of the parent company contrary to such interests.

By agreement on December 22, 2010, between the parent company and the Foundation, the Foundation has been granted a call option pursuant to which it may purchase a number of preference shares up to a maximum of the number of ordinary shares issued and outstanding with third parties at the time of exercise of the option. The agreement cannot be terminated by the Company as long as the Company has not cancelled, or repurchased preference shares acquired by the Foundation.

The Company entered into a cost compensation agreement with the Foundation dated December 22, 2010. As per the agreement, the Company is required to provide funds to the Foundation for the costs incurred in connection with the fulfillment of the objectives of the Foundation. These costs include costs for establishing the Foundation, remuneration and out of pocket expenses for the members of the board of the Foundation, commitment fees, advisory fees and certain other costs. During the year ended December 31, 2024, the amounts paid by the Company to or on behalf of the Foundation were \$108 (2023: \$158).

Parent Company Financial Statements

AMG Critical Materials, N.V. — Parent Company Statement of Financial Position (after profit appropriation)

For the year ended December 31	Note	2024	2023
In thousands of US dollars			
Fixed assets			
Goodwill and other intangible assets	6	9,764	9,755
Tangible fixed assets	5	2,252	1,281
Financial fixed assets			
Investments in subsidiaries	7	692,594	478,543
Equity-accounted investees	7	4,058	3,703
Loans due from subsidiaries	7	107,657	260,290
Deposits and other assets		622	931
Derivative financial instruments	11	11,062	16,254
Other investments		656	—
Total financial fixed assets		816,649	759,721
Total fixed assets		828,665	770,757
Related party receivables	8	13,407	12,168
Prepayments and other assets		3,374	2,139
Cash and cash equivalents		6,612	23,807
Total current assets		23,393	38,114
Total assets		852,058	808,871

For the year ended December 31	Note	2024	2023
In thousands of US dollars			
Equity			
Issued capital	9	853	853
Share premium	9	553,715	553,715
Foreign currency translation reserve	9	(47,005)	(25,264)
Hedging reserve	9	15,652	19,463
Capitalized development expenditures reserve	9	1,480	1,121
Defined benefit obligation reserve	9	(50,315)	(53,069)
Fair value reserve	9	12,235	4,138
Cost of hedging reserve	9	(25)	1,342
Treasury shares	9	(9,084)	(10,593)
Retained earnings	9	28,575	70,077
Total equity attributable to shareholders of the Company		506,081	561,783
Long-term liabilities			
Long-term debt	10	303,945	238,502
Lease liabilities	12	1,425	635
Loans due to subsidiaries	7	31,158	—
Long-term liabilities		336,528	239,137
Short-term liabilities			
Current portion long-term debt	10	3,216	2,500
Lease liabilities	12	739	586
Amounts due to subsidiaries		1,126	343
Income tax payable	4	210	—
Other payables		4,158	4,522
Short-term liabilities		9,449	7,951
Total liabilities		345,977	247,088
Total equity and liabilities		852,058	808,871

The notes are an integral part of these financial statements.

AMG Critical Materials, N.V. — Parent Company Income Statement

For the year ended December 31	Note	2024	2023
In thousands of US dollars			
Continuing operations			
Revenue		—	—
Restructuring expense		(301)	(1,496)
Gross loss		(301)	(1,496)
General and administrative expenses		(34,688)	(33,775)
Other income	2	24,006	22,384
Net other operating income		24,006	22,384
Operating loss		(10,983)	(12,887)
Finance income	3	19,479	36,768
Finance cost	3	(29,511)	(30,046)
Net finance (cost) income		(10,032)	6,722
Share of loss of associates		(2,895)	(3,097)
Loss before income tax		(23,910)	(9,262)
Income tax expense	4	(210)	—
Loss after tax		(24,120)	(9,262)
(Loss) profit from subsidiaries		(9,231)	110,582
Net (loss) profit		(33,351)	101,320

The notes are an integral part of these financial statements.

Notes to Parent Company Financial Statements

1. Summary of material accounting topics

For details of the Company and its principal activities, reference is made to the consolidated financial statements.

The parent company financial statements have been prepared in accordance with Part 9 of Book 2 of the Netherlands Civil Code, as generally accepted in the Netherlands. In accordance with the provisions of article 362-8 of Book 2 of the Netherlands Civil Code, the accounting policies used in the financial statements are the same as the accounting policies used in the notes to the consolidated financial statements, prepared under IFRS as endorsed by the European Union. Investments in subsidiaries are valued at their net equity value including allocated goodwill.

For a listing of all material operating entities in which the Company has an ownership interest, please refer to note 1 in the consolidated financial statements. The Company has filed a complete list of entities in which AMG has an ownership interest, with the Dutch Chamber of Commerce.

Participating interests in group companies

Group companies are all entities in which the Company has direct or indirect control. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the group company and has the ability to affect those returns through its power over the group company. Group companies are recognized from the date on which control is obtained by the Company and derecognized from the date that control by the Company over the group company ceases. Participating interests in group companies are accounted for in the separate financial statements according to the equity method with the principles for the recognition and measurement of assets and liabilities and determination of results as set out in the notes to the consolidated financial statements.

Participating interests with a negative net asset value are valued at nil. This measurement also covers any receivables provided to the participating interests that are, in substance, an extension of the net investment. In particular, this relates to loans for which settlement is neither planned nor likely to occur in the foreseeable future. A share in the profits of the participating interest in subsequent years will only be recognized if and to the extent that the cumulative unrecognized share of loss has been absorbed. If the Company fully or partially guarantees the debts of the relevant participating interest, or if it has the constructive obligation to enable the participating interest to pay its debts (for its share therein), then a provision is recognized accordingly to the amount of the estimated payments by the Company on behalf of the participating interest.

Share of result of participating interests

The share in the result of participating interests consists of the share of the Company in the result of these participating interests. Results on transactions involving the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests themselves, are eliminated to the extent that they can be considered as not realized.

The Company makes use of the option to eliminate intragroup expected credit losses against the book value of loans and receivables from the Company to participating interests, instead of elimination against the equity value / net asset value of the participating interests.

As of December 31, 2024, non-monetary assets and liabilities have been converted to USD using a conversion rate of EUR:USD of 1.0386 (2023: 1.1059).

2. Other income

Other income during the year ended December 31, 2024, includes income from management fees charged to subsidiaries of \$24,006 (2023: \$22,384). The services provided for these fees include general management services and other professional services.

3. Finance income and cost

Finance income during the year ended December 31, 2024, includes interest income from loans to subsidiaries of \$12,929 (2023: \$17,585) and interest income from bank deposits of \$10,460 (2023: \$12,196) and other items related to foreign exchanges loss (\$3,910) (2023: \$6,987 gain). See note 7 of the consolidated financial statements for additional details. Finance cost during the year ended December 31, 2024, includes interest expense on loans due to subsidiaries of \$302 (2023: 5,393), interest expense on external debt of \$29,136 (2023: \$24,590) and other items of \$73 (2023: \$63). See note 7 in the consolidated financial statements for additional details.

4. Income taxes

AMG Critical Materials N.V. is the head of the fiscal unity that exists for Dutch corporate income tax purposes. As such, the total deferred and current tax assets (liabilities) as well as tax expense (benefit) for all members of the fiscal unity are recorded on the books and records of AMG NV. In the income statement in 2024 and 2023, the Company reported an income tax expense of \$210 (2023: nil). The taxable loss to be carried forward is reduced by non-deductible expenses and tax-exempt income of \$10,274 and \$14,308 in 2024 and 2023 respectively, and is primarily related to taxable distributions from Brazil, non-deductible transaction costs, non-deductible share-based compensation expenses as well as stewardship expenses.

During the years ended December 31, 2024 and 2023, the income tax benefits related to the current year losses and other tax attributes of the fiscal unity were not recognized. In total, \$1,523 and \$1 were not recognized in 2024 and 2023, respectively, as it is not probable that these amounts will be realized.

Deferred tax assets are recognized to the extent it is probable that the temporary differences, unused tax losses and unused tax credits will be realized. The realization of deferred tax assets is reviewed each reporting period and includes the consideration of historical operating results, projected future taxable income and potential tax planning strategies. At December 31, 2024, net operating loss and tax credit carryforwards for which no deferred tax assets have been recognized in the balance sheet amount to \$133,267 (2023: \$130,063).

5. Tangible fixed assets

Tangible fixed assets of \$2,252 (2023: \$1,281) consists primarily of leasehold improvements, leases and office furniture and fixtures. See note 12 for additional details. These are carried at cost less accumulated depreciation and are depreciated over their anticipated useful life. The depreciation during the year ended December 31, 2024, was \$760 (2023: \$722). All tangible fixed assets are pledged as collateral under the AMG Credit Facility. Refer to note 9 of the consolidated financial statements for additional information.

6. Goodwill and other intangible assets

Goodwill and intangible assets of \$9,764 (2023: \$9,755) primarily related to the merger of Sudamin Holding SPRL of which \$9,702 and \$62 includes computer and software licenses. Intangible assets are carried at cost less accumulated amortization and are amortized over their anticipated useful life. The amortization during the year ended December 31, 2024 was \$24 (2023: \$33).

7. Financial fixed assets

Investments in subsidiaries

The movement in subsidiaries was as follows:

	Investment in subsidiaries
Balance at January 1, 2023	506,399
Dividend to parent	(56,067)
Dividend to parent conversion loan	(95,862)
Investments in companies	16,000
Gain on sale of non-controlling interest	7,867
Profit for the period	110,582
Change in non-controlling interest	(12,361)
Changes in hedges and fair value hedges	(306)
Gain on FVOCI investments	2,397
Actuarial losses	(9,706)
Effect of movements in exchange rates	6,882
Equity-settled share-based payments	(3,744)
Movement of negative participation to loans	6,462
Balance at December 31, 2023	478,543
Balance at January 1, 2024	478,543
Dividend to parent	(10,000)
Parent loans contributed to subsidiary	212,953
Investments in companies	24,364
Loss for the period	(9,231)
Change in non-controlling interest	2,063
Changes in hedges and fair value hedges	15
Gain on FVOCI investments	8,097
Actuarial gains	2,754
Effect of movements in exchange rates	(21,741)
Equity-settled share-based payments	584
Movement of negative participation to loans	4,193
Balance at December 31, 2024	692,594

On August 14, 2024, one of our German subsidiaries declared and paid dividends to the Company in the amount of \$10,000.

On March 31, 2024, the net intercompany loans totaling \$212,953 between the Company, AMG Lithium GmbH and AMG Invest GmbH were consolidated and contributed to AMG Recycling B.V. with the Company's intention to make a contribution in kind on the shares in the form of:

- a) A loan receivable held on AMG Lithium GmbH in the aggregated amount of €141,737 (\$152,864);
- b) A second loan held on AMG Lithium GmbH in the amount of €51,505 (\$56,066)
- c) A loan receivable held on AMG Invest GmbH in the aggregated amount of €3,731 (\$4,023)

On September 30, 2024 the Company made a contribution to AMG Recycling B.V. in the amount of \$24,364 to fund our lithium hydroxide refinery expansion project in Bitterfeld, Germany.

On March 23, 2023, Zinnwald Lithium Plc ("Zinnwald") (ZNWD, AIM) issued 118,996,738 of newly issued ordinary shares to the Company for a total subscription amount of \$15,189 resulting in a 25.13% shareholding.

In order to streamline and consolidate intercompany lending within the Group, certain transactions were executed in 2023. In addition, in order to align ownership of the Brazil subsidiaries with AMG's re-segmentation, ownership within the AMG Lithium segment was consolidated.

In terms of intercompany lending transactions, a French subsidiary of the Company distributed its receivable with the cash pool leader (a Germany subsidiary), to the Parent in the amount of \$49,402. This transaction resulted in a newly created loan between the Company (Lender) and the German cash pool Leader in the amount of \$49,402. In addition, two United Kingdom subsidiaries distributed their cash pool receivables in the amounts of \$45,000 and \$4,000 to their direct parent, AMG Advanced Metallurgical Group Investment B.V. who further distributed those same amounts to the Company. This property distribution transaction resulted in additional loan amounts between the Parent (lender) and the cash pool leader (a Germany subsidiary) in the total amount of \$49,000. These transactions totaled \$98,402 as of December 31, 2023.

During 2023, our Brazilian subsidiary declared dividends to the Company and AMG Lithium B.V., a subsidiary of the Company, in the amount of \$101,213 of which \$82,257 were based on their ownership percentage of 65.13% and 34.87%, respectively and \$18,956 were based on the new ownership percentage of 99.99% to AMG Lithium BV. As a result, the Company recorded dividends of \$56,067 and received payments of \$82,559 which resulted in a receivable balance of nil. With the goal to better align the Brazilian activities within the Lithium segment, effective October 10, 2023, the Company contributed all but 1 share of its 65.13% ownership in the Brazil operations to its direct subsidiary, AMG Lithium B.V. totaling \$48,156. This transaction renders AMG Lithium B.V. the primary owner of the Brazilian operations, with a nominal ownership interest remaining with the Company. Additionally, the Company reimbursed its subsidiary company, AMG Lithium B.V. for dividends paid by Brazil to the Company on behalf of AMG Lithium B.V. This amount totaled \$76,042 which included \$2,540 of the remaining Brazil dividend included on investment in affiliates and was made available by means of an intercompany loan between AMG Lithium B.V. (Lender) and the Company (Borrower). The intercompany loans between the Company and AMG Lithium B.V. were further consolidated in a transaction whereby the cash pool leader (a German subsidiary), assigned its loan receivable from AMG Lithium B.V. against its loan payable to the Company. The set-off of these loans resulted in a net position of \$15,701 in outstanding loans between the Company (Lender) and AMG Lithium B.V. (Borrower).

The Company and the AMG Lithium B.V. entity have three equity accounted investments with a total carrying value of \$38,110 (2023: \$18,266). The Company's equity accounted investments relates to Shell and AMG Recycling B.V. totaling \$4,058 (2023: \$3,703) at the year ended December 31, 2024. AMG Lithium BV has two equity accounted investments related to Zinnwald totaling \$13,710 (2023: \$14,563) and Savannah totaling \$20,342 (2023: nil) at the year ended December 31, 2024. Please refer to note 12 in the consolidated financial statements for more information on equity- accounted investees.

Changes in hedges and fair value hedges

This represents the effect of the Company's subsidiaries recording the changes in their equity from the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Equity-settled share-based payments

Subsidiaries are locally recording the effect of share-based payments for their employees in their equity. The equity balance of the subsidiaries is comprised of the value of equity-settled share based payments provided to employees, including key management personnel, as part of their remuneration. The change in the Company's investment in subsidiary balance is equal to the change recognized in retained earnings at the subsidiaries.

Loans due from subsidiaries

	Non-current loans due from subsidiaries	Current loan due from subsidiaries	Total
Balance at January 1, 2023	149,289	13,710	162,999
Loans	162,317	—	162,317
Repayments	(76,036)	(13,710)	(89,746)
Dividend to parent conversion loan	22,360	—	22,360
Interest conversion to loans	2,723	—	2,723
Currency translation adjustment	6,099	—	6,099
Movement of negative participation	(6,462)	—	(6,462)
Balance at December 31, 2023	260,290	—	260,290
Balance at January 1, 2024	260,290	—	260,290
Loans	126,273	—	126,273
Repayments	(62,888)	—	(62,888)
Loans contributed to subsidiary	(212,953)	—	(212,953)
Conversion of accounts payables to loan	5,354	—	5,354
Currency translation adjustment	(4,226)	—	(4,226)
Movement of negative participation	(4,193)	—	(4,193)
Balance at December 31, 2024	107,657	—	107,657

Loans due from subsidiaries				
	Interest rate	Maturity	2024	2023
Netherlands subsidiary	9.50 %	6/28/2029	68,659	15,701
US subsidiary	9.05 %	8/10/2027	29,290	38,520
Netherlands subsidiary	10.30 %	6/20/2029	20,363	—
German subsidiary	9.18 %	11/30/2027	—	130,042
German subsidiary	6.00 %	12/21/2028	—	49,000
German subsidiary	5.38 %	11/30/2026	—	33,489
Movement of negative participation prior years			(10,655)	(6,462)
Balance at December 31, 2024			107,657	260,290

During the year ended December 31, 2024, the non-current loans due to subsidiaries are USD denominated.

During the year ended December 31, 2023, two of the three German non-current loans are euro denominated by the amounts of €117,590 and €30,282 using a conversion rate of EUR:USD of 1.1059.

Loans due to subsidiaries

	Non-current loans due to subsidiaries	Current loan due to subsidiaries	Total
Balance at January 1, 2024	—	—	—
Loans	31,763	—	31,763
Currency translation adjustment	(605)	—	(605)
Balance at December 31, 2024	31,158	—	31,158

Loans due to subsidiaries				
	Interest rate	Maturity	2024	2023
German subsidiary	8.84 %	12/18/2029	20,772	—
German subsidiary	9.18 %	10/7/2025	10,386	—
Balance at December 31, 2024			31,158	—

During the year ended December 31, 2024, two of the German non-current loans due to subsidiaries are euro denominated by the amounts of €20,000 (2023: nil) and €10,000 (2023: nil) using a conversion rate of EUR:USD of 1.0386 (2023: 1.1059).

8. Related party receivables

Related party receivables of \$13,407 (2023: \$12,168) primarily represents management fees owed to the Company of \$5,168 (2023: \$7,290), interest owed on loans due from subsidiaries of \$6,051 (2023: \$4,120), and amounts owed by subsidiaries that represent expenses paid for by AMG and billed back to the subsidiaries of \$2,188 (2023: \$758).

9. Shareholders' equity and other capital reserves

In thousands for US dollars	Equity attributable to shareholders of the parent					
	Issued capital	Share premium	Treasury shares	Other reserves	Retained (deficit) earnings	Total
Balance at January 1, 2023	853	553,715	(14,685)	(44,869)	(4,461)	490,553
Foreign currency translation	—	—	—	5,675	—	5,675
Change in fair value of equity investments classified as fair value through other comprehensive income	—	—	—	2,397	—	2,397
Loss on cash flow hedges, net of tax	—	—	—	(7,164)	—	(7,164)
Actuarial loss, net of tax	—	—	—	(8,499)	—	(8,499)
Net loss recognized through other comprehensive income	—	—	—	(7,591)	—	(7,591)
Profit for the year	—	—	—	—	101,320	101,320
Total comprehensive (loss) gain for the year	—	—	—	(7,591)	101,320	93,729
Purchase of common shares	—	—	(6,960)	—	—	(6,960)
Equity-settled share-based payments	—	—	—	—	5,799	5,799
Settlement of share-based payment awards	—	—	11,052	—	(10,684)	368
Transfer to retained earnings	—	—	—	191	(191)	—
Gain on sale of non-controlling interest	—	—	—	—	18,867	18,867
Change in non-controlling interests	—	—	—	—	(12,361)	(12,361)
Dividend	—	—	—	—	(28,212)	(28,212)
Balance at December 31, 2023	853	553,715	(10,593)	(52,269)	70,077	561,783
Balance at January 1, 2024	853	553,715	(10,593)	(52,269)	70,077	561,783
Foreign currency translation	—	—	—	(20,393)	—	(20,393)
Change in fair value of equity investments classified as fair value through other comprehensive income	—	—	—	8,097	—	8,097
Loss on cash flow hedges, net of tax	—	—	—	(5,178)	—	(5,178)
Actuarial gain, net of tax	—	—	—	1,406	—	1,406
Net loss recognized through other comprehensive income	—	—	—	(16,068)	—	(16,068)
Loss for the year	—	—	—	—	(33,351)	(33,351)
Total comprehensive loss for the year	—	—	—	(16,068)	(33,351)	(49,419)
Purchase of common shares	—	—	(686)	—	—	(686)
Equity-settled share-based payments	—	—	—	—	6,077	6,077
Settlement of share-based payment awards	—	—	2,195	—	(1,897)	298
Transfer to retained earnings	—	—	—	359	(359)	—
Change in non-controlling interests	—	—	—	—	2,063	2,063
Dividend	—	—	—	—	(14,035)	(14,035)
Balance at December 31, 2024	853	553,715	(9,084)	(67,978)	28,575	506,081

Other reserves

	Legal reserves						Total
	Foreign currency translation reserve	Hedging reserve	Cost of hedging reserve	Capitalized development expenditures reserve	Fair value reserve	Defined benefit obligation reserve	
Balance at January 1, 2023	(32,146)	27,235	734	930	1,741	(43,363)	(44,869)
Currency translation differences	6,882	—	—	—	—	(1,207)	5,675
Gain on FVOCI investments	—	—	—	—	2,397	—	2,397
Movement on cash flow hedges	—	(7,832)	758	—	—	—	(7,074)
Tax effect on net movement on cash flow hedges	—	60	(150)	—	—	—	(90)
Actuarial loss on defined benefit plans	—	—	—	—	—	(11,739)	(11,739)
Tax effect on net movement on defined benefit plans	—	—	—	—	—	3,240	3,240
Transfer to retained earnings	—	—	—	191	—	—	191
Balance at December 31, 2023	(25,264)	19,463	1,342	1,121	4,138	(53,069)	(52,269)
Balance at January 1, 2024	(25,264)	19,463	1,342	1,121	4,138	(53,069)	(52,269)
Currency translation differences	(21,741)	—	—	—	—	1,348	(20,393)
Gain on FVOCI investments	—	—	—	—	8,097	—	8,097
Movement on cash flow hedges	—	(3,632)	(1,758)	—	—	—	(5,390)
Tax effect on net movement on cash flow hedges	—	(179)	391	—	—	—	212
Actuarial gain on defined benefit plans	—	—	—	—	—	2,273	2,273
Tax effect on net movement on defined benefit plans	—	—	—	—	—	(867)	(867)
Transfer to retained earnings	—	—	—	359	—	—	359
Balance at December 31, 2024	(47,005)	15,652	(25)	1,480	12,235	(50,315)	(67,978)

Equity-settled share-based payments

The value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration is recognized in equity. The amount reserved for share-based payments is recorded within retained earnings.

Legal reserves

AMG is a company incorporated under Dutch law. In accordance with the Dutch Civil Code, legal reserves have to be established in certain circumstances. The legal reserves consisted of the cumulative translation adjustment reserve, the unrealized losses on derivatives reserve, the legal participation reserve, the investment reserve and the capitalized development expenditures reserve. Legal reserves are non-distributable to the Company's shareholders.

Dividends

Dividends of \$14,035 have been declared and paid during the year ended December 31, 2024. Dividends of \$28,212 have been declared and paid during the year ended December 31, 2023.

Appropriation of net profit

Pursuant to section 26 of the Articles of Association, the Management Board shall, subject to the approval of the Supervisory Board, be authorized to reserve the profits in whole or in part. The General Meeting is authorized to distribute and/or reserve any remaining part of the profits.

AMG's Supervisory Board continues to follow its previously adopted dividend policy. While AMG has cyclical elements in its product mix, the goal of the policy is to achieve a relatively consistent dividend pay-out. The policy allows for stable dividend pay-outs and targets gradual increases to historic dividend level, provided that such pay-outs and possible increases are supported by AMG's liquidity and cash flow generation, and is subject to prevailing statutory requirements. AMG intends to declare a dividend of €0.40 per ordinary share over the financial year 2024. The interim dividend of €0.20, paid on August 14, 2024, will be deducted from the amount to be distributed to shareholders. The proposed final dividend per ordinary share therefore amounts to €0.20.

Preference shares

In July 2010, the foundation "Stichting Continuïteit AMG" ("Foundation") was established following the resolution adopted at its Annual Meeting on May 12, 2010. The board of the Foundation consists of three members, all of whom are independent of AMG. The purpose of the Foundation is to safeguard the interests of the parent company, the enterprise connected therewith and all the parties having an interest therein and to exclude as much as possible influences which could threaten, amongst other things, the continuity, independence and identity of the parent company contrary to such interests.

By agreement on December 22, 2010, between the parent company and the Foundation, the Foundation has been granted a call option pursuant to which it may purchase a number of preference shares up to a maximum of the number of ordinary shares issued and outstanding with third parties at the time of exercise of the option. The agreement cannot be terminated by the Company as long as the Company has not cancelled, or repurchased preference shares acquired by the Foundation.

10. Long-term debt

On November 30, 2021, the Company, Metallurg, Inc. and AMG Invest GmbH entered into a new \$350,000, 7-year senior secured term loan B facility ("term loan") and a \$200,000 5-year senior secured revolving credit facility ("revolver"). The Company directly borrowed \$250,000 of the \$350,000 term loan. On April 15, 2024, the Company, Metallurg, Inc. and AMG Invest GmbH entered into a new \$100,000 incremental term loan, structured as a fungible add-on to the existing \$350,000, 7-year senior secured term loan. The \$100,000 incremental term loan has the same pricing, terms and 2028 maturity as the existing \$350 million term loan. The Company directly borrowed \$70,000 of the \$100,000 new incremental term loan. As of December 31, 2024, the total carrying value of the term loan was \$307,161 (2023: \$241,002).

AMG Critical Materials N.V. is one of the borrowers under the revolving credit facility. Refer to note 20 in the consolidated financial statements for additional information relating to the long-term debt.

As of December 31, 2024, there was an asset of \$564 (2023: \$868) related to debt issuance costs incurred on the undrawn portion of the revolving credit facility.

To mitigate interest rate risk, the Company entered into interest rate swaps totaling \$320,000 in connection with the execution of the term loan and the new incremental term loan. This determination was made as part of the ongoing risk management process as these instruments mitigate the interest rate risk on the Company's credit facility. See note 29 in the consolidated financial statements for additional information on the interest rate hedging activities.

11. Derivative financial instruments

Please refer to notes 28 and 29 in the consolidated financial statements for more information on financial instruments and risk management policies.

Interest rate hedges

The Company entered into interest rate swap contracts with two financial institutions in connection with the execution of its credit facility. The contracts have a notional value equivalent to the total balance of the term loan B. The contracts swap the variable interest payments on the term loan B to fixed payments of interest. The interest rate swaps were executed so that the Company could hedge its exposure to changes in the benchmark interest rate on the term loan B facility. The Company has matched the critical terms of the swaps to the term loan B and consequently has designated the interest rate swaps as effective cash flow hedges. The amount of gains related to the interest rate hedges included in equity was \$5,193 and \$6,858 in the years ended December 31, 2024 and 2023, respectively. The amount included in equity is anticipated to impact the income statement through November 2026, which is the term of the contracts. During the years ended December 31, 2024 and 2023, (\$9,628) and (\$9,059) was transferred from equity to the income statement as a decrease to finance costs. There was no ineffectiveness for contracts designated as cash flow hedges during the years ended December 31, 2024 and 2023, respectively.

At December 31, 2024, a balance of \$11,062 (2023: \$16,254) related to the interest rate swaps was recorded as a non-current derivative asset.

12. Leases

The Company has entered into leases for office space in Amsterdam and Frankfurt. The Amsterdam lease term originally had a termination date of March 31, 2013, but it has since been extended through March 31, 2028. The Frankfurt lease term has an unlimited term but can be cancelled with six months' notice. See note 30 in the consolidated financial statements for additional information on leases.

Set out below are the carrying amounts of the Company's right-of-use assets, which are included in property plant and equipment in the statement of financial position, and lease liabilities as well as the movements during the year:

	Right-of-use assets			Total	Lease liabilities
	Land, buildings and improvements	Machinery and equipment	Furniture and fixtures		
Balance at January 1, 2023	707	130	14	851	922
Additions	828	102	6	936	936
Retirements and transfers	—	4	—	4	4
Depreciation expense	(593)	(75)	(22)	(690)	—
Interest expense	—	—	—	—	63
Payments	—	—	—	—	(704)
Balance at December 31, 2023	942	161	(2)	1,101	1,221
Balance at January 1, 2024	942	161	(2)	1,101	1,221
Additions	1,511	82	93	1,686	1,686
Retirements and transfers	—	—	—	—	—
Depreciation expense	(607)	(79)	(30)	(716)	—
Interest expense	—	—	—	—	73
Payments	—	—	—	—	(816)
Balance at December 31, 2024	1,846	164	61	2,071	2,164

13. Related parties

Key management compensation data is disclosed in note 33 of the consolidated financial statements.

The Company entered into a cost compensation agreement with the Foundation dated December 22, 2010 (see note 9). As per the agreement, the Company is required to provide funds to the Foundation for the costs incurred in connection with the fulfillment of the objectives of the Foundation. These costs include costs for establishing the Foundation, remuneration and out-of-pocket expenses for the members of the board of the Foundation, commitment fees, advisory fees and other costs. During the year ended December 31, 2024, the Company funded \$108 (2023: \$158).

14. Employees benefits and number of employees

During the year ended December 31, 2024, the Company recorded wages and salaries of \$19,415 (2023: \$18,851), social security charges of \$725 (2023: \$934) and pension charges of \$962 (2023: \$746) related to the employees of the Company which is included in general and administrative expenses in the income statement. During the year ended December 31, 2024, the number of staff employed by the Company, converted into a full-time equivalents, amounted to 34 employees (2023: 29), of which 29 (2023: 26) were employed outside the Netherlands.

15. Audit fees

KPMG has served as our independent auditor for the year ending December 31, 2024 and 2023. The following table sets out the aggregate fees for professional audit services and other services rendered by KPMG and their member firms and/or affiliates in 2024:

	2024			2023		
	KPMG Accountants N.V. USD' 000	KPMG Network USD' 000	Total	KPMG Accountants N.V. USD' 000	KPMG Network USD' 000	Total
Group financial statements	915	1,594	2,509	852	1,550	2,402
Audit of statutory financial statements	62	211	273	—	320	320
Other assurance services ¹	875	1	876	299	47	346
Other non-assurance services	—	6	6	—	26	26
Total	1,852	1,812	3,664	1,151	1,943	3,094

1) The other assurance services in 2024 by the amount of \$876 (2023: \$346) mainly relate to Sustainability assurance services and the audit of AMG Lithium's special purpose sub-group consolidated financial statements.

Amsterdam, March 12, 2025

Management Board

AMG Critical Materials N.V.

Amsterdam, March 12, 2025

Dr. Heinz Schimmelbusch

Eric Jackson

Jackson Dunckel

Michael Connor

Amsterdam, March 12, 2025

Supervisory Board

AMG Critical Materials N.V.

Amsterdam, March 12, 2025

Steve Hanke, Chairman

Willem van Hassel, Vice Chairman

Herb Depp

Donatella Ceccarelli

Warmolt Prins

Anne Roby

Dagmar Bottenbruch