CRITICAL MATERIALS FOR
THE NEW MILLENNIUM
# TABLE OF CONTENTS

- About AMG: 4
- CO₂ Reduction: 5
- Strong Capital Structure: 6
- Critical Raw Materials: 7
- Critical Materials Price Trends: 8
- Critical Materials Prices: 10 Year Perspective: 9
- AMG Business Segments: 10
- Global Footprint: 11
- Health and Safety Focus: 13
- Financial Highlights: 14
- Strategy & Outlook: 25
- Key Products & End Markets: 29
- Appendix: 35
CAUTIONARY NOTE

THIS DOCUMENT IS STRICTLY CONFIDENTIAL AND IS BEING PROVIDED TO YOU SOLELY FOR YOUR INFORMATION BY AMG ADVANCED METALLURGICAL GROUP N.V. (THE "COMPANY") AND MAY NOT BE REPRODUCED IN ANY FORM OR FURTHER DISTRIBUTED TO ANY OTHER PERSON OR PUBLISHED, IN WHOLE OR IN PART, FOR ANY PURPOSE. FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF APPLICABLE SECURITIES LAWS.

This presentation does not constitute or form part of, and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the Company or any of its subsidiaries nor should it or any part of it, nor the fact of its distribution, form the basis of, or be relied on in connection with, any contract or commitment whatsoever.

This presentation has been prepared by, and is the sole responsibility of, the Company. This document, any presentation made in conjunction herewith and any accompanying materials are for information only and are not a prospectus, offering circular or admission document. This presentation does not form a part of, and should not be construed as, an offer, invitation or solicitation to subscribe for or purchase, or dispose of any of the securities of the companies mentioned in this presentation. These materials do not constitute an offer of securities for sale in the United States or an invitation or offer to the public or form of application to subscribe for securities. Neither this presentation nor anything contained herein shall form the basis of, or be relied on in connection with, any offer or commitment whatsoever. The information contained in this presentation has not been independently verified. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information or the opinions contained herein. The Company and its advisors are under no obligation to update or keep current the information contained in this presentation. To the extent allowed by law, none of the Company or its affiliates, advisors or representatives accept any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with the presentation.

Certain statements in this presentation constitute forward-looking statements, including statements regarding the Company's financial position, business strategy, plans and objectives of management for future operations. These statements, which contain the words "believe," "expect," "anticipate," "intends," "estimate," "forecast," "project," "will," "may," "should" and similar expressions, reflect the beliefs and expectations of the management board of directors of the Company and are subject to risks and uncertainties that may cause actual results to differ materially. These risks and uncertainties include, among other factors, the achievement of the anticipated levels of profitability, growth, cost and synergy of the Company's recent acquisitions, the timely development and acceptance of new products, the impact of competitive pricing, the ability to obtain necessary regulatory approvals, and the impact of general business and global economic conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein.

Neither the Company, nor any of its respective agents, employees or advisors intend or have any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained in this presentation.

The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice.

This document has not been approved by any competent regulatory or supervisory authority.
AMG IS A CRITICAL MATERIALS COMPANY

GLOBAL TRENDS
CO₂ emission reduction, population growth, increasing affluence, and energy efficiency

DEMAND
Innovative new products that are lighter, stronger, and resistant to higher temperatures

SUPPLY
AMG sources, processes, and supplies the critical materials that the market demands
AMG: MITIGATING TECHNOLOGIES
Products and processes saving raw materials, energy and CO₂ emissions during manufacturing
(i.e., recycling of Ferrovanadium)

AMG: ENABLING TECHNOLOGIES
Products and processes saving CO₂ emissions during use
(i.e., light-weighting and fuel efficiency in the aerospace and automotive industries)

AMG has developed into a leader in enabling technologies
STRONG CAPITAL STRUCTURE, FREE OF NET DEBT, POSITIONED FOR GROWTH

- Refinanced credit facility in 2016, providing a stable capital base and liquidity for strategic growth
- Deleveraged balance sheet

- Initiated first dividend to shareholders in 2015
  - Reflecting AMG commitment to return value to shareholders

- Rigorous process to review strategic growth opportunities that is both selective and opportunistic
- Organic growth strategy is focused on areas of our portfolio that are marked by strong demand growth or supply limitations
- Financially and operationally capable of quickly assessing opportunities

Driving long term sustainable growth and shareholder value
CRITICAL RAW MATERIALS

- The EU identified 20 critical raw materials* to the European economy in 2014, focusing on two determinants: economic importance and supply risk.
- The US identified 30 critical materials* which are vital to national defense, primarily through assessing supply risk.
- AMG has a unique critical materials portfolio comprising:
  - 5 EU critical raw materials
  - 4 US critical raw materials
  - Highly engineered Titanium Alloys for the aerospace industry
  - High value added Aluminum Master Alloys
  - Vanadium, Nickel and Molybdenum from recycled secondary raw materials

CRITICAL MATERIALS PRICE TRENDS

The cumulative average 10 year price appreciation of the AMG Portfolio was 9.6 percentage points higher than London Metal Exchange (LME) metals and 7.9 points higher than oil, while AMG EU Critical Materials outperformed LME Metals and oil by 8.3 and 6.6 percentage points, respectively.

Note: Compound annual growth rates are calculated over the period Jun '07 through Jun '17 using the equation ((Ending Value / Beginning Value) ^ (1 / # of years) - 1) where ending value is avg monthly price in Jun '17 and beginning value is avg monthly price in Jun '07; and where AMG EU Critical Materials include Sb, Cr, Graphite & Si; AMG Portfolio includes Sb, Cr, FeV, Li, Nb, Si, Sr, Graphite, Ta, Sn & Ti; and LME Metals include Al, Co, Cu, Pb, Mo, Ni, & Zn. Avg annual growth rates (plotted above) are calculated over the same period using the equation ((Ending Value / Beginning Value) - 1) and considering the same metal categorizations where ending value is avg monthly price in Jun of the given year and beginning value is avg monthly price in Jun '07.
Metal prices are measured on a scale of 0 to 10, with 0 and 10 representing the minimum and maximum average quarterly prices occurring during the past 10 years.

The positions demonstrate the current price level of each metal with respect to their various historical price points over the past 10 years.

AMG’s relevant prices have started to move into the second quartile.

Note: Metal Positions are measured on a scale of 0 to 10, with 0 being the minimum price and 10 being the maximum price. They are calculated using the formula \[ \frac{(Jun \ '07 \ month \ avg - min. \ monthly \ avg)}{(max. \ monthly \ avg - min. \ monthly \ avg)} \times 10 \] where maximum and minimum monthly averages are measured over the period 1 Jun ‘07 through 30 Jun ‘17.
AMG BUSINESS SEGMENTS

AMG CRITICAL MATERIALS

AMG’s conversion, mining, and recycling businesses

• Vanadium
• Superalloys
• Titanium Alloys & Coatings
• Aluminum Alloys
• Tantalum & Niobium & Lithium
• Antimony
• Graphite
• Silicon Metal

AMG ENGINEERING

AMG’s vacuum systems and services business

• Furnaces
• Heat treatment services
AMG GLOBAL FOOTPRINT – CRITICAL MATERIALS

Aluminum Master Alloys, Aluminum Powders
Antimony
Lithium
Natural Graphite
Silicon Metal
Titanium Alloys & Coatings
Chromium Metal
Specialty Metals & Chemicals
Molybdenum
Nickel
Tantalum

Al
Mo
V
Ni

Cr
Al

C
Si
Ti

UK

Germany
Czech Republic
China

U.S.A

France

Sri Lanka
Mozambique

Brazil

C

Al
Li
Ta
Nb
Sn

Al

C

Al
C
AMG GLOBAL FOOTPRINT – AMG ENGINEERING

Headquarters: Port Huron (MI), USA
Production Facilities: Wixom (MI), USA, Limbach, Germany, Hanau, Germany, Grenoble, France, Mumbai, India, Suzhou, China
Heat Treatment Services: Hanau, Germany

Mexico City, Mexico
Berlin, Germany
Limbach, Germany
Mumbai, India
Suzhou, China
Wixom (MI), USA
Port Huron (MI), USA
Mexico City, Mexico
Headquarters
Production Facility
Heat Treatment Services
HEALTH AND SAFETY FOCUS

LEADING SAFETY INDICATORS

• The number of safety improvement items reported in Q2 2017 was only 3% lower than in Q2 2016. These are essential in order to avoid potential injuries.

• Safety training hours increased 4% in Q2 2017 compared to Q2 2016.

• At the end of Q2 2017, lost time incident rate was 48% lower and total incident rate and incident severity rate were down 41% and 36%, respectively, from Q2 2016.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>LOST TIME INCIDENTS IN THE LAST 12 MONTHS</th>
<th>12 MONTH AVERAGE LOST TIME INCIDENT RATE</th>
<th>12 MONTH AVERAGE INCIDENT SEVERITY RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>36</td>
<td>1.33</td>
<td>0.14</td>
</tr>
<tr>
<td>2017</td>
<td>19 ↓</td>
<td>0.69 ↓</td>
<td>0.09 ↓</td>
</tr>
</tbody>
</table>

Rigorous commitment to safety reflected in continually improving safety records
Financial Highlights

AMG Advanced Metallurgical Group N.V.
### Q2 2017 AT A GLANCE

**AMOUNTS IN $M**  
(EXCEPT EARNINGS PER SHARE)

<table>
<thead>
<tr>
<th></th>
<th>Q2 2017</th>
<th>Q2 2016</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$262.0</td>
<td>$248.3</td>
<td>6%</td>
</tr>
<tr>
<td>Gross Profit *</td>
<td>$54.3</td>
<td>$53.3</td>
<td>2%</td>
</tr>
<tr>
<td>Gross Margin %</td>
<td>20.7%</td>
<td>21.5%</td>
<td>(4%)</td>
</tr>
<tr>
<td>Profit Before Income Taxes</td>
<td>$20.8</td>
<td>$15.6</td>
<td>33%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$31.9</td>
<td>$26.0</td>
<td>23%</td>
</tr>
<tr>
<td>EBITDA Margin %</td>
<td>12.2%</td>
<td>10.5%</td>
<td>16%</td>
</tr>
<tr>
<td>Net Debt</td>
<td>$7.3</td>
<td>$5.5</td>
<td>33%</td>
</tr>
<tr>
<td>Return On Capital Employed (ROCE)</td>
<td>23.9%</td>
<td>17.8%</td>
<td>34%</td>
</tr>
<tr>
<td>Net Income Attributable To Shareholders</td>
<td>$13.1</td>
<td>$13.4</td>
<td>(2%)</td>
</tr>
<tr>
<td>Earnings Per Share</td>
<td>0.42</td>
<td>0.48</td>
<td>(13%)</td>
</tr>
</tbody>
</table>

- Q2 ‘17 EBITDA up 23% versus Q2 ‘16 due to improved profitability within both AMG Critical Materials and AMG Engineering
- Annualized ROCE increased to 23.9% in Q2 2017 versus 17.8% for Q2 2016

Net Debt Reduction of $80.5 million since December 2014

---

* Gross Profit has been restated to include restructuring expenses and asset impairment expenses, in order to take into consideration ESMA’s latest recommendations.
FINANCIAL HIGHLIGHTS

REVENUE (IN MILLIONS OF US DOLLARS)

Q2 16 | Q3 16 | Q4 16 | Q1 17 | Q2 17
---|---|---|---|---
$248.3 | $247.5 | $237.9 | $258.0 | $262.0

GROSS PROFIT * (IN MILLIONS OF US DOLLARS)

Q2 16 | Q3 16 | Q4 16 | Q1 17 | Q2 17
---|---|---|---|---
$53.3 | $46.3 | $43.0 | $52.5 | $54.3

EBITDA (IN MILLIONS OF US DOLLARS)

Q2 16 | Q3 16 | Q4 16 | Q1 17 | Q2 17
---|---|---|---|---
$26.0 | $23.4 | $30.0 | $33.0 | $31.9

ORDER INTAKE (IN MILLIONS OF US DOLLARS)

Q2 16 | Q3 16 | Q4 16 | Q1 17 | Q2 17
---|---|---|---|---
$92.8 | $68.1 | $61.7 | $81.8 | $76.9

* Gross Profit has been restated to include restructuring expenses and asset impairment expenses, in order to take into consideration ESMA’s latest recommendations.
FINANCIAL DATA: ROCE & EBITDA

• **Q2 '17 EBITDA up 22% versus Q2 '16 due to improved profitability within both AMG Critical Materials and AMG Engineering**

  - Q2 '17 EBITDA up 22% versus Q2 '16 due to improved profitability within both AMG Critical Materials and AMG Engineering.

  - Q2 2017 annualized ROCE improved to 23.9% from 17.8% in Q2 2016.
  - ROCE improvements are the result of efficient use of capital and improved profitability.

**EBITDA** (IN MILLIONS OF US DOLLARS)

- Q2 ’16: $26.0
- Q3 ’16: $23.4
- Q4 ’16: $30.0
- Q1 ’17: $33.0
- Q2 ’17: $31.9

**Annualized ROCE**

- 2012: 9.2%
- 2013: 7.4%
- 2014: 11.9%
- 2015: 12.0%
- Q2 ’16: 17.8%
- Q2 ’17: 23.9%
FINANCIAL DATA: NET DEBT & NET CASH FROM OPERATIONS

- Net debt: $7.3 million
  - $186.9 million reduction of net debt since December 31, 2012

- AMG’s primary debt facility is a $400 million multicurrency term loan and revolving credit facility
  - 5 year term (until 2021) with an accordion feature that allows the Company, subject to certain conditions, to increase the commitment amount by up to $100 million
  - In compliance with all debt covenants

- AMG generated cash from operating activities of $28.5 million for the first half of 2017, $8.5 million higher than the first half of 2016
DIVISIONAL FINANCIAL HIGHLIGHTS – Q2 2017 VS. Q2 2016

**REVENUE**

Q2 2017 REVENUE: $262.0  (IN MILLIONS OF US DOLLARS)

- AMG Critical Materials: $202.6
- AMG Engineering: $59.4

Q2 2016 REVENUE:
- AMG Critical Materials: $181.6
- AMG Engineering: $66.7

**EBITDA**

Q2 2017 EBITDA: $31.9  (IN MILLIONS OF US DOLLARS)

- AMG Critical Materials: $23.9
- AMG Engineering: $8.0

Q2 2016 EBITDA:
- AMG Critical Materials: $20.5
- AMG Engineering: $5.6

**GROSS MARGIN ***

Q2 2017 GROSS MARGIN: 20.7%

- AMG Critical Materials: 18.5%
- AMG Engineering: 23.0%

Q2 2016 GROSS MARGIN:
- AMG Critical Materials: 20.9%
- AMG Engineering: 28.2%

**CAPITAL EXPENDITURE**

Q2 2017 CAPEX: $18.6  (IN MILLIONS OF US DOLLARS)

- AMG Critical Materials: $16.9
- AMG Engineering: $1.7

Q2 2016 CAPEX:
- AMG Critical Materials: $6.2
- AMG Engineering: $1.3

* Gross Profit has been restated to include restructuring expenses and asset impairment expenses, in order to take into consideration ESMA’s latest recommendations.
WORKING CAPITAL REDUCTION

WORKING CAPITAL DAYS REDUCED BY 72% SINCE Q3’10

57 DAYS, OR 72% REDUCTION
Q2 2017 revenue of $202.6 million was 12% higher than Q2 2016.

EBITDA increased by $3.4 million over Q2 2016 to $23.9 million in the second quarter of 2017, driven primarily by strong financial performance in vanadium and titanium alloys.

Capital expenditures increased to $16.9 million in Q2 2017 vs. $6.2 million in Q2 2016.

The largest expansion capital projects were AMG’s lithium project in Brazil, and titanium aluminide expansion in Germany.
AMG Critical Materials Q2 2017 revenue of $202.6 million was 12% higher than Q2 2016

Improving vanadium, molybdenum, nickel, aluminum, titanium and antimony prices, and higher sales volumes of chrome, antimony, silicon and titanium products resulted in higher revenue in Q2 2017 versus the same period in the prior year.

Lower sales of tantalum in the quarter, due to the temporary shut-down in one of AMG’s two tantalum production lines, were partially offset by higher sales of niobium products.

Tantalum sales prices declined following the termination of AMG’s long-term, supply agreement.

Silicon revenue and gross profit declined in the second quarter 2017, versus the same period in the prior year, due to lower sales prices.

### Key Product Revenue Drivers - Q2 2017 vs Q2 2016

<table>
<thead>
<tr>
<th>KEY PRODUCT</th>
<th>Q2 ‘17 REV ($M)</th>
<th>Q2 ‘16 REV ($M)</th>
<th>VOLUME</th>
<th>PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>FeV &amp; FeNiMo</td>
<td>$27.0</td>
<td>$22.8</td>
<td>↓</td>
<td>↑</td>
</tr>
<tr>
<td>Al Master Alloys &amp; Powders</td>
<td>$45.8</td>
<td>$43.0</td>
<td>↔</td>
<td>↑</td>
</tr>
<tr>
<td>Chromium Metal</td>
<td>$26.1</td>
<td>$19.9</td>
<td>↑</td>
<td>↔</td>
</tr>
<tr>
<td>Tantalum &amp; Niobium</td>
<td>$13.5</td>
<td>$17.2</td>
<td>↓</td>
<td>↓</td>
</tr>
<tr>
<td>Titanium Alloys &amp; Coatings</td>
<td>$26.2</td>
<td>$21.1</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Antimony</td>
<td>$27.3</td>
<td>$19.0</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Graphite</td>
<td>$16.2</td>
<td>$16.4</td>
<td>↔</td>
<td>↔</td>
</tr>
<tr>
<td>Silicon Metal</td>
<td>$20.5</td>
<td>$22.4</td>
<td>↑</td>
<td>↓</td>
</tr>
</tbody>
</table>
## CRITICAL MATERIALS – AVERAGE QUARTERLY PRICES

<table>
<thead>
<tr>
<th>MATERIALS</th>
<th>Q2 2016</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
<th>Q1 2017</th>
<th>Q2 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ferrovanadium ($/lb)</td>
<td>$10.03</td>
<td>$9.99</td>
<td>$10.65</td>
<td>$12.35</td>
<td>$12.30</td>
</tr>
<tr>
<td>Molybdenum ($/lb)</td>
<td>$7.42</td>
<td>$7.01</td>
<td>$6.63</td>
<td>$7.90</td>
<td>$8.03</td>
</tr>
<tr>
<td>Nickel ($/MT)</td>
<td>$8,819</td>
<td>$10,262</td>
<td>$10,685</td>
<td>$10,267</td>
<td>$9,222</td>
</tr>
<tr>
<td>Aluminum ($/MT)</td>
<td>$1,571</td>
<td>$1,620</td>
<td>$1,710</td>
<td>$1,851</td>
<td>$1,909</td>
</tr>
<tr>
<td>Chrome ($/lb)</td>
<td>$3.76</td>
<td>$3.67</td>
<td>$3.65</td>
<td>$3.83</td>
<td>$4.02</td>
</tr>
<tr>
<td>Tantalum ($/lb)</td>
<td>$62</td>
<td>$60</td>
<td>$56</td>
<td>$57</td>
<td>$67</td>
</tr>
<tr>
<td>Niobium Oxide ($/kg)</td>
<td>$27</td>
<td>$28</td>
<td>$26</td>
<td>$27</td>
<td>$30</td>
</tr>
<tr>
<td>Ti Sponge ($/kg)</td>
<td>$8.25</td>
<td>$8.15</td>
<td>$8.15</td>
<td>$8.24</td>
<td>$8.74</td>
</tr>
<tr>
<td>Antimony ($/MT)</td>
<td>$6,252</td>
<td>$7,271</td>
<td>$7,482</td>
<td>$8,098</td>
<td>$8,890</td>
</tr>
<tr>
<td>Graphite ($/MT)</td>
<td>$585</td>
<td>$585</td>
<td>$585</td>
<td>$585</td>
<td>$585</td>
</tr>
<tr>
<td>Silicon Metal (€/MT)</td>
<td>€1,684</td>
<td>€1,648</td>
<td>€1,733</td>
<td>€1,993</td>
<td>€1,989</td>
</tr>
</tbody>
</table>

### Q2 ’17 VS. Q2 ’16 % CHANGE

- Ferrovanadium: +23%
- Molybdenum: +8%
- Nickel: +5%
- Aluminum: +21%
- Chrome: +7%
- Tantalum: +9%
- Niobium Oxide: +9%
- Ti Sponge: +6%
- Antimony: +42%
- Graphite: –
- Silicon Metal: +18%

### Q2 ’17 VS. Q1 ’17 % CHANGE

- Ferrovanadium: –
- Molybdenum: +2%
- Nickel: (10%
- Aluminum: +3%
- Chrome: +5%
- Tantalum: +17%
- Niobium Oxide: +11%
- Ti Sponge: +6%
- Antimony: +10%
- Graphite: –
- Silicon Metal: –
EBITDA increased by $2.4 million in Q2 2017 versus Q2 2016

AMG Engineering continues to experience strong sales of turbine blade coating powder metallurgy and plasma re-melting furnaces for the aerospace market and heat treatment furnaces for the automotive market

AMG Engineering order backlog of $183.3 million as of June 30, 2017, a 35% increase compared to December 31, 2016

AMG Engineering signed $76.9 million in new orders during Q2 2017, a 1.29x book to bill ratio
Strategy & Outlook
AMG: READY FOR GROWTH

COST REDUCTION
Cost-reduction and capex discipline in response to global economic slowdown

SUPPLY CHAIN EXCELLENCE
Competitive advantage through manufacturing and supply chain excellence, accelerating cost-reduction efforts

SCALING PROFITABLE GROWTH
Properly positioned, financially and operationally, to pursue growth targets across portfolio

PRODUCT MIX OPTIMIZATION
Streamlined operations and improved operating performance by eliminating low-margin product lines

TARGETED W/C & DEBT LEVELS
Further reduction in both working capital and net debt, strengthening the balance sheet
# STRATEGY

AMG’s strategy is to build its critical materials business through industry consolidation, process innovation and product development

## PROCESS INNOVATION & PRODUCT DEVELOPMENT
Continue to focus on process innovation and product development to improve the market position of AMG’s businesses

## INDUSTRY CONSOLIDATION
Pursue opportunities for horizontal and vertical industry consolidation across AMG’s critical materials portfolio

## EXPANSION OF EXISTING HIGH GROWTH BUSINESSES
Pursue opportunities in high-growth areas within the existing product portfolio

AMG’s overriding strategic objective is to achieve industry leadership while being the low cost producer
2017 OUTLOOK & LITHIUM PROJECT UPDATE

OUTLOOK

AMG expects full year 2017 profitability to improve relative to 2016.

AMG’s management team is focused on delivering our highly accretive lithium project and executing our long-term lithium strategy. In addition, we will continue to pursue other acquisition opportunities and organic growth projects in order to generate long term value for our shareholders.

LITHIUM PROJECT UPDATE

Overview: Project is progressing in-line with expectations – production expected to commence mid-2018.

Mibra Resource: In April 2017, AMG published an updated resource statement for the Mibra mine showing an increase of approximately 38% compared to the previous mineral resource statement completed in 2013.

Spodumene Expansion: Target to increase annual lithium concentrate production capacity up to 180,000 tons by the end of 2019.

Marketing efforts: On March 3, 2017, AMG announced that it had signed a multi-year contract to supply 90,000 tons per year of lithium concentrate with deliveries commencing in the second half of 2018. Sales prices are partially indexed to the published market price of lithium carbonate, subject to a contractual minimum threshold. The sales price (CIF China), determined with reference to the current published lithium carbonate market price, would exceed $800 per ton lithium concentrate.

Management’s priority in 2017 is to execute our highly accretive lithium project
Key Products & End Markets
KEY PRODUCTS

REVENUE (IN MILLIONS OF US DOLLARS)

Q2 2016 | Q2 2017
---|---
Vacuum Furnaces | $248.3 | $262.0
Vanadium & FeNiMo | $135 | $180
Chromium Metal | $10 | $20
Antimony | $5 | $10
Tantalum & Niobium | $90 | $135
Graphite | $-$ | $-$

GROSS PROFIT * (IN MILLIONS OF US DOLLARS)

Q2 2016 | Q2 2017
---|---
Vacuum Furnaces | $53.8 | $54.0
Vanadium & FeNiMo | $30 | $40
Chromium Metal | $10 | $20
Antimony | $-$ | $-$
Tantalum & Niobium | $45 | $60
Graphite | $-$ | $-$

* Before non-recurring items
## CRITICAL MATERIALS – MARKET TRENDS

<table>
<thead>
<tr>
<th>CRITICAL MATERIALS</th>
<th>MAJOR END MARKETS</th>
<th>MARKET TRENDS</th>
<th>MAJOR CUSTOMERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMG ANTIMONY</td>
<td>FLAME RETARDANTS</td>
<td>PLASTICS</td>
<td>Dupont</td>
</tr>
<tr>
<td>ANTIMONY TRIOXIDE</td>
<td></td>
<td></td>
<td>Firelli</td>
</tr>
<tr>
<td>ANTIMONY MASTERBATCHES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ANTIMONY PASTES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMG BRAZIL</td>
<td>MICRO CAPACITORS, SUPeralloys</td>
<td>COMMUNICATIONS &amp; ELECTRONICS</td>
<td>H.C. Starck</td>
</tr>
<tr>
<td>TANTALUM &amp; NIOBIUM</td>
<td></td>
<td>FUEL EFFICIENCY</td>
<td></td>
</tr>
<tr>
<td>AMG LITHIUM</td>
<td>BATTERIES</td>
<td>RENEWABLE ENERGY</td>
<td>Confidential</td>
</tr>
<tr>
<td>LITHIUM CONCENTRATE (SPODUMENE)</td>
<td></td>
<td>COMMUNICATIONS &amp; ELECTRONICS</td>
<td></td>
</tr>
<tr>
<td>AMG GRAPHITE</td>
<td>EXPANDED POLYSTYRENE (EPS), BATTERY ANODES</td>
<td>ENERGY SAVING</td>
<td>Sunpor</td>
</tr>
<tr>
<td>NATURAL GRAPHITE</td>
<td></td>
<td>ENERGY STORAGE</td>
<td>Höganäs</td>
</tr>
<tr>
<td>AMG SILICON</td>
<td>ALUMINUM ALLOYS, SOLAR</td>
<td>FUEL EFFICIENCY</td>
<td>Aleris</td>
</tr>
<tr>
<td>SILICON METAL</td>
<td></td>
<td>CLEAN ENERGY</td>
<td>AMAG</td>
</tr>
</tbody>
</table>

**Energy**
- AMG ANTIMONY
- AMG BRAZIL
- AMG LITHIUM
- AMG GRAPHITE
- AMG SILICON

**Transportation**
- FLAME RETARDANTS
- MICRO CAPACITORS, SUPeralloys
- BATTERIES
- EXPANDED POLYSTYRENE (EPS), BATTERY ANODES
- ALUMINUM ALLOYS, SOLAR

**Infrastructure**

**Spec. Metals & Chem.**
ENGINEERING – MARKET TRENDS

PRODUCTS & SERVICES

AMG ENGINEERING
CAPITAL GOODS
(VACUUM FURNACES)

AMG ENGINEERING
VACUUM HEAT TREATMENT
SERVICES

MAJOR END MARKETS

AEROSPACE, AUTOMOTIVE

AEROSPACE, AUTOMOTIVE

MAJOR CUSTOMERS

FUEL EFFICIENCY
ELECTRONICS

FUEL EFFICIENCY

MAJOR END MARKETS

ENERGY

TRANSPORTATION

INFRASTRUCTURE

SPEC. METALS & CHEM.
AMG AT A GLANCE

Q2 2017 REVENUE

BY SEGMENT:
- 77% Critical Materials
- 23% Engineering

BY END MARKET:
- 43% Transportation
- 22% Specialty Metals & Chemicals
- 25% Infrastructure
- 10% Energy

BY REGION:
- 45% Europe
- 32% North America
- 18% Asia
- 5% ROW

AMG IS A GLOBAL SUPPLIER OF CRITICAL MATERIALS TO:
- ENERGY
- TRANSPORTATION
- INFRASTRUCTURE
- SPECIALTY METALS AND CHEMICALS

Market leading producer of highly engineered specialty metals and vacuum furnace systems

~3,000 Employees

~$1 billion Annual Revenues

At the forefront of CO₂ Reduction
## CONSOLIDATED BALANCE SHEET

<table>
<thead>
<tr>
<th>AS OF</th>
<th>JUNE 30, 2017 UNAUDITED</th>
<th>DECEMBER 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td>247.5</td>
<td>226.1</td>
</tr>
<tr>
<td>Goodwill and intangibles</td>
<td>36.1</td>
<td>33.2</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>83.3</td>
<td>91.7</td>
</tr>
<tr>
<td>Inventories</td>
<td>146.8</td>
<td>143.6</td>
</tr>
<tr>
<td>Receivables</td>
<td>153.0</td>
<td>129.2</td>
</tr>
<tr>
<td>Other current assets</td>
<td>42.9</td>
<td>35.8</td>
</tr>
<tr>
<td>Cash</td>
<td>168.9</td>
<td>160.7</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>878.5</strong></td>
<td><strong>820.3</strong></td>
</tr>
<tr>
<td>Long term debt</td>
<td>149.6</td>
<td>151.0</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>150.4</td>
<td>141.6</td>
</tr>
<tr>
<td>Other long term liabilities</td>
<td>46.7</td>
<td>49.9</td>
</tr>
<tr>
<td>Current debt</td>
<td>26.6</td>
<td>17.1</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>140.9</td>
<td>133.3</td>
</tr>
<tr>
<td>Advance payments</td>
<td>38.0</td>
<td>29.4</td>
</tr>
<tr>
<td>Accruals</td>
<td>52.4</td>
<td>57.5</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>32.8</td>
<td>42.9</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>637.4</strong></td>
<td><strong>622.5</strong></td>
</tr>
<tr>
<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
<td><strong>878.5</strong></td>
<td><strong>820.3</strong></td>
</tr>
</tbody>
</table>
## CONSOLIDATED INCOME STATEMENT

### FOR THE SIX MONTHS ENDED
**IN MILLIONS OF US DOLLARS**

<table>
<thead>
<tr>
<th></th>
<th>JUNE 30, 2017 UNAUDITED</th>
<th>JUNE 30, 2016 UNAUDITED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>520.0</td>
<td>485.7</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>413.2</td>
<td>388.2</td>
</tr>
<tr>
<td><strong>Gross profit</strong> *</td>
<td>106.8</td>
<td>97.5</td>
</tr>
<tr>
<td>Selling, general &amp; administrative</td>
<td>63.6</td>
<td>66.1</td>
</tr>
<tr>
<td>Other income, net</td>
<td>(0.3)</td>
<td>(0.4)</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>43.6</td>
<td>31.9</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>3.8</td>
<td>5.2</td>
</tr>
<tr>
<td>Share of profit of associates</td>
<td>–</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>Profit before income taxes</strong></td>
<td>39.8</td>
<td>28.2</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>11.2</td>
<td>3.1</td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td>28.6</td>
<td>25.1</td>
</tr>
<tr>
<td>Shareholders of the Company</td>
<td>28.7</td>
<td>25.4</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>(0.1)</td>
<td>(0.3)</td>
</tr>
<tr>
<td><strong>ADJUSTED EBITDA</strong></td>
<td>64.8</td>
<td>47.2</td>
</tr>
</tbody>
</table>

* Gross Profit has been restated to include restructuring expenses and asset impairment expenses, in order to take into consideration ESMA’s latest recommendations.
## CONSOLIDATED STATEMENT OF CASH FLOWS

<table>
<thead>
<tr>
<th>FOR THE SIX MONTHS ENDED</th>
<th>JUNE 30, 2017</th>
<th>JUNE 30, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>UNAUDITED</td>
<td>UNAUDITED</td>
</tr>
<tr>
<td>EBITDA</td>
<td>64.8</td>
<td>47.2</td>
</tr>
<tr>
<td>Change in working capital and deferred revenue</td>
<td>(22.9)</td>
<td>(5.0)</td>
</tr>
<tr>
<td>Other operating cash flow</td>
<td>(4.2)</td>
<td>(15.4)</td>
</tr>
<tr>
<td><strong>Cash generated from operating activities</strong></td>
<td><strong>37.7</strong></td>
<td><strong>26.8</strong></td>
</tr>
<tr>
<td>Finance costs paid, net</td>
<td>(4.2)</td>
<td>(3.2)</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(4.9)</td>
<td>(3.7)</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td><strong>28.5</strong></td>
<td><strong>20.0</strong></td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(29.5)</td>
<td>(14.4)</td>
</tr>
<tr>
<td>Other investing activities</td>
<td>1.8</td>
<td>(4.9)</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td><strong>(27.7)</strong></td>
<td><strong>(19.3)</strong></td>
</tr>
<tr>
<td><strong>Net cash used in financing activities</strong></td>
<td><strong>(0.5)</strong></td>
<td><strong>(3.7)</strong></td>
</tr>
<tr>
<td>Net increase (decrease) in cash and equivalents</td>
<td>0.2</td>
<td>(3.0)</td>
</tr>
<tr>
<td><strong>Cash and equivalents at January 1</strong></td>
<td><strong>160.7</strong></td>
<td><strong>127.8</strong></td>
</tr>
<tr>
<td>Effect of exchange rate fluctuations on cash held</td>
<td>7.9</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>CASH AND EQUIVALENTS AT JUNE 30</strong></td>
<td><strong>168.9</strong></td>
<td><strong>125.1</strong></td>
</tr>
</tbody>
</table>
