

AMG Advanced Metallurgical Group N.V.
Condensed Interim Consolidated Income Statement

For the quarter ended September 30

In thousands of US dollars

	2019 Unaudited	2018 Unaudited
Continuing operations		
Revenue	269,873	328,071
Cost of sales	244,966	248,516
Gross profit	24,907	79,555
Selling, general and administrative expenses	35,067	35,645
Environmental expense	491	-
Other income	(30)	(292)
Net other operating expense (income)	461	(292)
Operating (loss) profit	(10,621)	44,202
Finance income	(706)	(930)
Finance cost	6,565	5,619
Net finance cost	5,859	4,689
(Loss) profit before income tax	(16,480)	39,513
Income tax expense	1,541	9,961
(Loss) profit for the period	(18,021)	29,552
Attributable to:		
Shareholders of the Company	(17,775)	29,938
Non-controlling interests	(246)	(386)
(Loss) profit for the period	(18,021)	29,552
(Loss) earnings per share		
Basic (loss) earnings per share	(0.60)	0.98
Diluted (loss) earnings per share	(0.60)	0.93

AMG Advanced Metallurgical Group N.V.
Condensed Interim Consolidated Income Statement

For the nine months ended September 30

In thousands of US dollars

	2019 Unaudited	2018 Unaudited
Continuing operations		
Revenue	920,008	965,840
Cost of sales	832,140	737,006
Gross profit	87,868	228,834
Selling, general and administrative expenses	106,242	108,450
Environmental expense	491	-
Other income	(155)	(416)
Net other operating expense (income)	336	(416)
Operating (loss) profit	(18,710)	120,800
Finance income	(3,066)	(2,212)
Finance cost	24,916	18,780
Net finance cost	21,850	16,568
(Loss) profit before income tax	(40,560)	104,232
Income tax (benefit) expense	(6,057)	39,122
(Loss) profit for the period	(34,503)	65,110
Attributable to:		
Shareholders of the Company	(34,044)	65,636
Non-controlling interests	(459)	(526)
(Loss) profit for the period	(34,503)	65,110
(Loss) earnings per share		
Basic (loss) earnings per share	(1.14)	2.17
Diluted (loss) earnings per share	(1.14)	2.05

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

<i>In thousands of US dollars</i>	September 30, 2019 Unaudited	December 31, 2018
Assets		
Property, plant and equipment	369,796	327,951
Goodwill and other intangible assets	33,810	35,130
Derivative financial instruments	447	7,592
Other investments	22,803	21,452
Deferred tax assets	47,014	34,112
Restricted cash	316,386	1,715
Other assets	10,825	11,266
Total non-current assets	801,081	439,218
Inventories	243,136	316,715
Derivative financial instruments	1,679	1,335
Trade and other receivables	139,876	138,530
Other assets	36,786	39,570
Current tax assets	16,191	3,668
Cash and cash equivalents	229,030	381,900
Total current assets	666,698	881,718
Total assets	1,467,779	1,320,936

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

<i>In thousands of US dollars</i>	September 30, 2019 Unaudited	December 31, 2018
Equity		
Issued capital	831	812
Share premium	489,546	462,891
Treasury shares	(84,217)	(347)
Other reserves	(113,087)	(104,274)
Retained earnings (deficit)	(116,527)	(39,158)
Equity attributable to shareholders of the Company	176,546	319,924
Non-controlling interests	23,389	24,119
Total equity	199,935	344,043
Liabilities		
Loans and borrowings	670,665	356,997
Lease liabilities *	30,307	-
Employee benefits	153,916	149,217
Provisions	28,700	32,527
Other liabilities	3,994	4,371
Derivative financial instruments	6,525	5,148
Deferred tax liabilities	3,832	7,930
Total non-current liabilities	897,939	556,190
Loans and borrowings	21,202	8,947
Lease liabilities *	3,594	-
Short-term bank debt	7,500	15,500
Other liabilities	64,555	61,120
Trade and other payables	159,404	230,939
Derivative financial instruments	7,685	8,267
Advance payments	57,120	50,210
Current tax liability	25,248	19,675
Provisions	23,597	26,045
Total current liabilities	369,905	420,703
Total liabilities	1,267,844	976,893
Total equity and liabilities	1,467,779	1,320,936

*The Company applied IFRS 16 (lease accounting) for the first time as of January 1, 2019. The Company recognized new assets and liabilities for its operating leases which are primarily comprised of buildings, equipment, machinery and automobiles. Right of use assets are included within property, plant and equipment and classified in the same manner as if the underlying assets were owned by the Company. The lease liabilities are presented as a separate line item on the consolidated statement of financial position. The nature and pattern of expense recognition in relation to these leases has changed. The Company recognizes depreciation on the right of use assets on a straight-line basis over the expected term of the lease. Interest expense related to the lease liabilities are recognized over the expected term of the lease using the effective interest method. Comparative figures have not been adjusted. Assets and liabilities increased per January 1, 2019 by \$37 million.

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

For the nine months ended September 30

In thousands of US dollars

	2019 Unaudited	2018 Unaudited
Cash (used in) from operating activities		
(Loss) profit for the period	(34,503)	65,110
Adjustments to reconcile net (loss) profit to net cash flows:		
Non-cash:		
Income tax (benefit) expense	(6,057)	39,122
Depreciation and amortization	30,645	24,573
Asset impairments	5,522	3,200
Net finance cost	21,850	16,568
Gain on sale or disposal of property, plant and equipment	(96)	(1,065)
Equity-settled share-based payment transactions	4,092	4,610
Movement in provisions, pensions and government grants	(5,630)	7,002
Working capital and deferred revenue adjustments	10,875	(84,955)
Cash generated from operating activities	26,698	74,165
Finance costs paid, net	(18,361)	(11,949)
Income tax paid, net	(17,281)	(15,469)
Net cash (used in) from operating activities	(8,944)	46,747
Cash used in investing activities		
Proceeds from sale of property, plant and equipment	305	1,489
Insurance proceeds on property, plant and equipment	-	1,300
Acquisition of property, plant and equipment and intangibles	(38,422)	(55,043)
Change in restricted cash	(314,671)	-
Interest received on restricted cash	1,486	-
Other	-	(31)
Net cash used in investing activities	(351,302)	(52,285)

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

For the nine months ended September 30

In thousands of US dollars

	2019	2018
	Unaudited	Unaudited
Cash from financing activities		
Proceeds from issuance of debt	324,996	351,172
Payment of transaction costs related to the issuance of debt	(4,981)	(9,238)
Repayment of borrowings	(2,728)	(155,195)
Proceeds from issuance of common shares	3,100	15,923
Net repurchase of common shares	(89,881)	(9,558)
Dividends paid	(16,703)	(12,092)
Payment of lease liabilities	(2,876)	-
Net cash from financing activities	210,927	181,012
Net (decrease) increase in cash and cash equivalents	(149,319)	175,474
Cash and cash equivalents at January 1	381,900	178,800
Effect of exchange rate fluctuations on cash held	(3,551)	(4,385)
Cash and cash equivalents at September 30	229,030	349,889