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A-Mark Closes Previously Announced Acquisition of LPM Group Limited, Marking A-Mark's Expansion into Asia

EL SEGUNDO, Calif., Feb. 27, 2024 (GLOBE NEWSWIRE) -- [A-Mark Precious Metals, Inc. \(NASDAQ: AMRK\) \(A-Mark\)](#), a leading fully integrated precious metals platform, has closed its previously announced transactions with [AMS Holding, LLC \(AMS\)](#), a leading collector platform for the marketing and sales of vintage and modern coins. This transaction included the acquisition of [LPM Group Limited \(LPM\)](#), one of Asia's largest precious metals dealers.

"Today is a significant day for A-Mark, as we complete the acquisition of LPM and expand our footprint into Asia," said A-Mark CEO Greg Roberts. "It is also a significant day for LPM, its employees, customers, and partners, as LPM becomes part of one of the world's largest diversified precious metals businesses. We plan to use LPM's Hong Kong headquarters as our anchor in Asia to expand LPM's direct-to-consumer business through our proven e-commerce expertise. We look forward to capitalizing on the consumer demand for precious metals throughout Asia with this strategic acquisition."

LPM Acquisition Details

A-Mark has acquired 100% of the issued and outstanding equity interests of LPM from AMS for a total upfront consideration of \$41.9 million, consisting of \$37.9 million in cash and \$4.0 million of A-Mark common stock. At the close of the transaction, LPM had a tangible net worth of \$11.9 million inclusive of net cash and precious metals inventories. AMS has the potential to earn up to an additional \$37.5 million in cash based on achievement of certain Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA) targets for 2024, 2025 and 2026.

Pinehurst Coin Exchange Asset Purchase of ModernCoinMart

A-Mark's affiliate, Pinehurst Coin Exchange, Inc. (Pinehurst), one of the nation's largest distributors of modern certified coins of which A-Mark owns 49.0%, has acquired all the assets of [ModernCoinMart \(MCM\)](#) from AMS for \$5.5 million. MCM is one of the fastest growing dealers in the U.S. and ships to many international destinations. As part of the asset purchase, Pinehurst has acquired \$3.0 million of inventory, along with MCM's customer list, brand name and related intellectual property.

Strategic Investment in AMS Holding

A joint venture consisting of A-Mark, Pinehurst and Stack's Bowers Numismatics, LLC, an affiliate of A-Mark, has acquired a common equity interest in AMS equivalent to 10% of the total, fully diluted common equity interests in AMS for \$6.19 million. As part of the transaction, A-Mark CEO Greg Roberts has joined the AMS board of directors.

Transaction Advisors

D.A. Davidson & Co. acted as financial advisor to A-Mark, and Kramer Levin Naftalis & Frankel LLP and Frye & Hsieh LLP acted as legal advisors to A-Mark. Houlihan Lokey acted as financial advisor to AMS, and Ballard Spahr LLP acted as legal advisor to AMS.

About A-Mark Precious Metals

Founded in 1965, A-Mark Precious Metals, Inc. is a leading fully integrated precious metals platform that offers an array of gold, silver, platinum, palladium, and copper bullion, numismatic coins, and related products to wholesale and retail customers via a portfolio of channels. The company conducts its operations through three complementary segments: Wholesale Sales & Ancillary Services, Direct-to-Consumer, and Secured Lending. The company's global customer base spans sovereign and private mints, manufacturers and fabricators, refiners, dealers, financial institutions, industrial users, investors, collectors, e-commerce customers, and other retail customers.

A-Mark's Wholesale Sales & Ancillary Services segment distributes and purchases precious metal products from sovereign and private mints. As a U.S. Mint-authorized purchaser of gold, silver, and platinum coins since 1986, A-Mark purchases bullion products directly from the U.S. Mint for sale to customers. A-Mark also has longstanding distributorships with other sovereign mints, including Australia, Austria, Canada, China, Mexico, South Africa, and the United Kingdom. The company sells more than 200 different products to e-commerce retailers, coin and bullion dealers, financial institutions, brokerages, and collectors. In addition, A-Mark sells precious metal products to industrial users, including metal refiners, manufacturers, and electronic fabricators.

Through its A-M Global Logistics subsidiary, A-Mark provides its customers with a range of complementary services, including managed storage options for precious metals as well as receiving, handling, inventorying, processing, packaging, and shipping of precious metals and coins on a secure basis. A-Mark's mint operations, which are conducted through its wholly owned subsidiary [Silver Towne Mint](#), enable the company to offer customers a wide range of proprietary coin and bar offerings and, during periods of market volatility when the availability of silver bullion from sovereign mints is often product constrained, preferred product access.

A-Mark's Direct-to-Consumer segment operates as an omni-channel retailer of precious metals, providing access to a multitude of products through its wholly owned subsidiaries, [JM Bullion](#) and [Goldline](#). JM Bullion is a leading e-commerce retailer of precious metals and operates seven separately branded, company-owned websites targeting specific niches within the precious metals market: [JMBullion.com](#), [ProvidentMetals.com](#), [Silver.com](#), [GoldPrice.org](#), [SilverPrice.org](#), [BGA](#) and [BullionMax.com](#). JMB also owns [CyberMetals.com](#), an online platform where customers can purchase and sell fractional shares of digital gold, silver, platinum, and palladium bars in a range of denominations. Goldline markets precious metals directly to the investor community through various channels, including television, radio, and telephonic sales efforts. A-Mark also holds minority ownership interests in four additional direct-to-consumer brands.

The company operates its Secured Lending segment through its wholly owned subsidiary, Collateral Finance Corporation ([CFC](#)). Founded in 2005, CFC is a California licensed finance lender that originates and acquires loans secured by bullion and numismatic coins. Its customers include coin and precious metal dealers, investors, and collectors.

A-Mark is headquartered in El Segundo, CA and has additional offices and facilities in the neighboring Los Angeles area as well as in Dallas, TX, Las Vegas, NV, Winchester, IN, and Vienna, Austria. For more information, visit www.amark.com.

A-Mark periodically provides information for investors on its corporate website, www.amark.com, and its investor relations website, ir.amark.com. This includes press releases and other information about financial performance, reports filed or furnished with the SEC, information on corporate governance, and investor presentations.

Important Cautions Regarding Forward-Looking Statements

Statements in this press release that relate to future plans, objectives, expectations, performance, events and the like are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and the Securities Exchange Act of 1934. These include statements regarding the anticipated benefits to A-Mark and its affiliates of the transactions. Future events, risks and uncertainties, individually or in the aggregate, could cause actual results or circumstances to differ materially from those expressed or implied in these statements. Factors that could cause actual results to differ include the following:

With respect to all of the transactions: Adverse facts and circumstances regarding the acquired businesses or investment that are discovered following the closing, notwithstanding the diligence undertaken by the company and its affiliates; greater than anticipated post-closing costs and management resources required to onboard the acquired businesses and investment; and the strategic, business, economic, financial, political and governmental risks and other risk factors affecting the businesses of the company and the industries in which it operates, as described in in the company's public filings with the Securities and Exchange Commission.

With respect to the acquisition of LPM: The inability to successfully integrate LPM with A-Mark's other business, as anticipated or at all; the inability to realize the anticipated synergies between LPM and A-Mark's other businesses; the difficulties in managing a business located outside the United States generally, and in particular in China and other Asian jurisdictions; and LPM's inability to expand its business in China and other parts of Asia, as anticipated or at all.

With respect to the investment in AMS: The risks associated with the conduct of the business of AMS generally; the inability of the joint venture, as a minority holder, to exercise control over AMS; and the inability of the joint venture to exit its investment in AMS at a profit, at the time of its choosing or at all.

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