

February 6, 2024



A-Mark to Acquire LPM Group Limited, One of Asia's Largest Precious Metals Dealers, Representing A-Mark's Expansion into Asia

Conference Call Scheduled Today at 4:30 p.m. ET to Discuss Transactions and Fiscal Second Quarter 2024 Financial Results

EL SEGUNDO, Calif., Feb. 06, 2024 (GLOBE NEWSWIRE) -- [A-Mark Precious Metals, Inc. \(NASDAQ: AMRK\) \(A-Mark\)](#), a leading fully integrated precious metals platform, has entered into a non-binding letter of intent with [AMS Holding, LLC \(AMS\)](#), a leading collector platform for the marketing and sales of vintage and modern coins, providing for three transactions, including the proposed acquisition of LPM Group Limited (LPM), one of Asia's largest precious metals dealers.

The proposed transactions are subject to the preparation and execution of definitive agreements and are expected to close simultaneously in February 2024, subject to the receipt of customary closing conditions and required third party consents or approvals, including the consent of the lenders under A-Mark's Trading Credit Facility.

LPM Overview and Financial & Operational Highlights

Established in 2012, LPM is one of the largest precious metals wholesalers in Asia. Headquartered at the heart of Hong Kong's Central Financial District, LPM boasts the city's largest numismatics showroom. LPM offers a wide selection of products through its retail store and 24/7 online trading platform, including recently released silver coins, gold bullion, certified coins, and the latest collectible numismatic issues. The company's global customer base spans sovereign and private mints, manufacturers and fabricators, investors, collectors, e-commerce customers, and other retail customers.

LPM three-year average financial and operational highlights include*:

- Net sales of \$393.2 million
- 108,000 ounces of gold sold
- 6.3 million ounces of silver sold
- 27,000 wholesale and retail customers
- 26,000 orders processed

**The results of LPM have been provided to A-Mark by AMS, have been subject to year over year fluctuation, and are subject to A-Mark's continuing diligence.*

“Acquiring LPM will be an important step in growing A-Mark’s international presence, specifically in Asia,” said A-Mark CEO Greg Roberts. “Having established a relationship with AMS through supplier agreements, the timing was opportune to integrate LPM into our portfolio and extend A-Mark’s global reach. With access to A-Mark’s inventory and resources, we expect that LPM will be able to secure larger purchase orders while providing customers with a broader set of product offerings. Our strategy is to expand LPM’s direct-to-consumer business through our proven e-commerce expertise, while offering its global customer base a broader portfolio of products and ancillary services such as storage and fulfillment.”

LPM Transaction Details

The letter of intent provides that A-Mark will acquire 100% of the issued and outstanding equity interests of [LPM Group Limited \(LPM\)](#) from AMS for total upfront consideration of \$41.5 million, consisting of \$37.5 million in cash, subject to certain closing adjustments, and \$4.0 million of A-Mark common stock. The letter of intent further provides that LPM will have a tangible net worth of \$11.5 million inclusive of net cash and precious metals inventories. The letter of intent also contemplates that AMS will have 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.

LPM CEO Charlie Chang, who is expected to sign a consulting agreement with A-Mark in connection with the transaction, commented: “Since our founding, LPM has been focused on developing strong relationships with both wholesale and retail customers across Asia. Joining forces with A-Mark, I am eager to capitalize on A-Mark’s extensive resources and capabilities to deepen our presence and expand our footprint within the retail and wholesale precious metals market in Asia.”

Pinehurst Coin Exchange Asset Purchase of ModernCoinMart

Under the letter of intent, A-Mark affiliate, Pinehurst Coin Exchange, Inc. (Pinehurst), one of the nation’s largest distributors of modern certified coins of which A-Mark owns 49.0%, will acquire all the assets of [ModernCoinMart](#) (MCM) from AMS for \$5.5 million, subject to certain closing adjustments. 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 will acquire \$3.0 million of inventory, along with MCM’s customer list, brand name, and related intellectual property.

Pinehurst CEO Vince Wade commented: “Since its inception in 2004, ModernCoinMart has established a formidable e-commerce presence and cultivated a loyal customer base. In our pursuit of expanding our direct-to-consumer business, we are confident that MCM’s adept use of eBay, coupled with the appealing collectability of its modern bullion coins, will not only retain existing customers but also attract new ones. We believe that the combination of effective online strategies and enticing product offerings positions MCM and Pinehurst for continued success in capturing market share and engaging a broader audience.”

Strategic Investment in AMS Holdings

The letter of intent further provides that a proposed joint venture consisting of A-Mark,

Pinehurst and Stack's Bowers Numismatics, LLC, an affiliate of A-Mark, will acquire a common equity interest in AMS equivalent to 10% of the total, fully diluted common equity interests in AMS. As part of the proposed investment, A-Mark CEO Greg Roberts will join the AMS board of directors.

AMS CEO Jim Hilt commented: "These transactions underscore our strategic transformation as a platform that will define the next era of collecting in our industry. Greg's leadership in turning A-Mark into a globally recognized fully integrated platform make him and his team a perfect partner for AMS and we look forward to the benefit of his expertise on our board. This is a critical step in our evolution to accelerate our growth, create industry impact, and drive value for collectors in our markets."

Transaction Advisors

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

Conference Call

A-Mark will hold a conference call today, February 6, 2024, at 4:30 p.m. Eastern time (1:30 p.m. Pacific time) to discuss the proposed transactions as well as the company's financial results for the fiscal second quarter ended December 31, 2023. A-Mark management will host the presentation, followed by a question-and-answer period.

A-Mark's conference call can be accessed as follows:

U.S. dial-in number: 1-888-506-0062

International number: 1-973-528-0011

Participant Access Code: 362228

Webcast: <https://www.webcaster4.com/Webcast/Page/2867/49671>

Please call the conference telephone number 10 minutes before the start time. An operator will register your name and organization. If you have any difficulty connecting with the conference call, please contact A-Mark's investor relations team at 1-949-574-3860.

A replay of the call will be available after 7:30 p.m. Eastern time on the same day through February 20, 2024.

Toll-free replay number: 1-877-481-4010

International replay number: 1-919-882-2331

Participant Access Code: 49671

The call will also be broadcast live and available for replay on the Investor Relations section of A-Mark's website at ir.amark.com/.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any shares of common stock of A-Mark. Any offer will be made only by means of a prospectus supplement and accompanying prospectus forming a part of an effective registration statement of A-Mark.

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 occurrence and the timing of the closing of the transactions described in this release, and 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: The failure of the parties to agree on definitive transaction documents; the failure of the parties to complete the contemplated transactions within the currently expected timeline or at all; the failure to obtain necessary third-party consents or approvals; greater than anticipated costs incurred to consummate the transactions; 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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Source: A-Mark Precious Metals