

May 5, 2022



# A-Mark Precious Metals Reports Fiscal Third Quarter 2022 Results

## Company Announces a Two-for-One Stock Split in the form of a Stock Dividend

EL SEGUNDO, Calif., May 05, 2022 (GLOBE NEWSWIRE) -- **A-Mark Precious Metals, Inc. (NASDAQ: AMRK)**, a leading fully integrated precious metals platform, reported results for the fiscal third quarter ended March 31, 2022.

### Fiscal Third Quarter 2022 Financial Highlights

- Revenues for the three months ended March 31, 2022 increased 3% to \$2.11 billion from \$2.05 billion for the three months ended March 31, 2021 and increased 8% from \$1.95 billion for the three months ended December 31, 2021
- Gross profit for the three months ended March 31, 2022 increased 6% to \$72.1 million from \$68.2 million for the three months ended March 31, 2021 and increased 9% from \$65.9 million for the three months ended December 31, 2021
- Gross profit margin for the three months ended March 31, 2022 increased to 3.42% of revenue, from 3.33% of revenue for the three months ended March 31, 2021, and increased from 3.39% of revenue in the three months ended December 31, 2021
- Net income attributable to the Company for the three months ended March 31, 2022 totaled \$37.4 million or \$3.06 per diluted share, as compared to net income of \$76.6 million or \$8.84 per diluted share for the three months ended March 31, 2021, and net income of \$31.8 million or \$2.61 per diluted share for the three months ended December 31, 2021. Net income attributable to the company for the three months ended March 31, 2021 included a \$26.3 million remeasurement gain on its pre-existing equity interest in JMB in connection with its acquisition
- Adjusted net income before provision for income taxes, depreciation, amortization, acquisition costs and remeasurement gain ("Adjusted net income before provision for income taxes"), a non-GAAP financial measure, for the three months ended March 31, 2022 totaled \$54.3 million, a decrease of \$9.9 million compared to \$64.2 million for the three months ended March 31, 2021, and an increase of \$5.3 million compared to \$49.0 million for the three months ended December 31, 2021
- Adjusted net income before provision for income taxes per diluted share for the three months ended March 31, 2022 was \$4.45, as compared to \$7.40 for the three months ended March 31, 2021, and \$4.02 for the three months ended December 31, 2021
- Gold ounces sold in the three months ended March 31, 2022 decreased 6% to 727,000 ounces from 771,000 ounces for the three months ended March 31, 2021, and increased 15% from 631,000 ounces for the three months ended December 31, 2021

- Silver ounces sold in the three months ended March 31, 2022 increased 4% to 34.5 million ounces from 33.1 million ounces for the three months ended March 31, 2021, and increased 8% from 32.0 million ounces for the three months ended December 31, 2021
- As of March 31, 2022, the number of secured loans increased 72% to 2,697 from 1,571 as of March 31, 2021, and increased 13% from 2,393 as of December 31, 2021

### **Fiscal Third Quarter 2022 Financial Results**

Revenues increased 3% to \$2.11 billion from \$2.05 billion in the same year-ago quarter due to an increase in silver ounces sold and higher average selling prices of gold, partially offset by a decrease in gold ounces sold and lower average selling prices of silver.

The Direct-to-Consumer segment contributed 28% and 6% of the consolidated revenue in the fiscal third quarter of 2022 and 2021, respectively. The increase in revenue from the Direct-to-Consumer segment is due primarily to the acquisition of JM Bullion, Inc. (JMB) in March 2021. Revenue contributed by JMB represented 26% of the consolidated revenues for the fiscal third quarter of 2022 compared with 3% of consolidated revenues for the same year-ago quarter.

The number of new customers in the Direct-to-Consumer segment increased 721% to 108,400 from 13,200 in the same year-ago quarter. The number of active customers increased 678% to 284,800 from 36,600 in the same year-ago quarter. The number of total customers as of March 31, 2022 increased 20% to 1,968,200 from 1,633,800 in the prior year. The increases in the customer-based metrics were primarily due to our acquisition of JMB in March 2021.

Gross profit increased 6% to \$72.1 million (3.42% of revenue) from \$68.2 million (3.33% of revenue) in the same year-ago quarter. The increase in gross profit was due to higher gross profits earned from the Direct-to-Consumer segment, partially offset by lower gross profits earned from the Wholesale Sales & Ancillary Services Segment. Gross profit contributed by JMB represented 48% of the total consolidated gross profit in the fiscal third quarter of 2022.

Selling, general and administrative expenses increased 54% to \$20.5 million from \$13.3 million in the same year-ago quarter. The increase in selling, general and administrative expenses was primarily due to \$6.5 million of expenses incurred by JMB, increased compensation expense (including performance-based accruals) of \$1.4 million, offset by lower consulting and professional fees of \$0.9 million.

Depreciation and amortization expense increased 407% to \$7.5 million from \$1.5 million in the same year-ago quarter. The increase in depreciation and amortization expense was primarily due to a \$6.1 million increase in amortization of acquired intangibles related to JMB.

Interest income increased 13% to \$5.3 million from \$4.7 million in the same year-ago quarter. The aggregate increase in interest income was primarily due to higher interest income earned by our Secured Lending segment partly offset by lower other finance product income.

Interest expense increased 2% to \$5.4 million from \$5.3 million in the same year-ago

quarter. The increase in interest expense was primarily driven by \$0.2 million of loan servicing fees, offset by a decrease of \$0.1 million associated with our Trading Credit Facility and Notes Payable (including amortization of debt issuance costs).

Earnings from equity method investments decreased 78% to \$1.6 million from \$7.4 million in the same year-ago quarter. The net decrease of \$5.8 million includes a \$6.1 million decrease related to JMB, a former equity method investment which is now reported by the Company as a wholly owned subsidiary, offset by increased earnings of \$0.3 million from our other equity method investments.

Net income attributable to the Company totaled \$37.4 million or \$3.06 per diluted share, compared to net income of \$76.6 million or \$8.84 per diluted share in the same year-ago quarter.

Net income attributable to the Company for the three months ended March 31, 2021 included a \$26.3 million remeasurement gain on its pre-existing equity interest in JMB in connection with its acquisition. Excluding the remeasurement gain, net income attributable to the Company for the three months ended March 31, 2021 was \$50.3 million. Net income attributable to the Company for the three months ended March 31, 2021 also included \$2.2 million of non-recurring costs associated with the acquisition of JMB. Diluted weighted average shares outstanding for the three months ended March 31, 2022 were 12.2 million compared to 8.7 million in the same year-ago quarter.

Adjusted net income before provision for income taxes for the three months ended March 31, 2022 totaled \$54.3 million, compared to \$64.2 million in the same year-ago quarter. The decrease is principally due to higher amortization of acquired intangibles of \$6.0 million, the \$26.3 million remeasurement gain in the prior year period, partly offset by lower net income before provision for income taxes of \$40.9 million.

Adjusted net income before provision for income taxes per diluted share for the three months ended March 31, 2022 was \$4.45, compared to \$7.40 for the three months ended March 31, 2021, and \$4.02 for the three months ended December 31, 2021. Diluted weighted average shares outstanding for the three months ended March 31, 2022 were 12.2 million compared to 8.7 million in the same year-ago quarter.

### **Fiscal Nine Months 2022 Financial Highlights**

- Revenues for the nine months ended March 31, 2022 increased 12% to \$6.07 billion from \$5.43 billion for the nine months ended March 31, 2021
- Gross profit for the nine months ended March 31, 2022 increased 58% to \$194.0 million from \$123.1 million for the nine months ended March 31, 2021
- Gross profit margin for the nine months ended March 31, 2022 increased to 3.20% of revenue, from 2.26% of revenue for the nine months ended March 31, 2021
- Net income attributable to the Company for the nine months ended March 31, 2022 totaled \$95.2 million or \$7.84 per diluted share, as compared to net income of \$108.6 million or \$13.61 per diluted share for the nine months ended March 31, 2021. Net income attributable to the Company for the nine months ended March 31, 2021 included a \$26.3 million remeasurement gain on its pre-existing equity interest in JMB in connection with its acquisition

- Adjusted net income before provision for income taxes for the nine months ended March 31, 2022 totaled \$144.4 million, an increase of \$36.8 million compared to \$107.6 million for the nine months ended March 31, 2021
- Adjusted net income before provision for income taxes per diluted share for the nine months ended March 31, 2022 was \$11.89, as compared to \$13.48 for the nine months ended March 31, 2021
- Gold ounces sold in the nine months ended March 31, 2022 increased 3% to 2.03 million ounces from 1.97 million ounces for the nine months ended March 31, 2021
- Silver ounces sold in the nine months ended March 31, 2022 increased 20% to 94.6 million ounces from 78.6 million ounces for the nine months ended March 31, 2021

## **Fiscal Nine Months 2022 Financial Results**

Revenues increased 12% to \$6.07 billion from \$5.43 billion in the same year-ago period due to an increase in gold and silver ounces sold and higher average selling prices of gold, partially offset by lower average selling prices of silver.

The Direct-to-Consumer segment contributed 27% and 4% of the consolidated revenue in the nine months ended March 31, 2022 and 2021, respectively. The increase in revenue from the Direct-to-Consumer segment is due primarily to the acquisition of JMB in March 2021. Revenue contributed by JMB represented 25% of the consolidated revenues for the nine months ended March 31, 2022 compared with 1% of the consolidated revenues for the nine months ended March 31, 2021.

The number of new customers in the Direct-to-Consumer segment increased 1,121% to 182,000 from 14,900 in the same year-ago period. The number of active customers increased 1,112% to 492,000 from 40,600 in the same year-ago period. The number of total customers as of March 31, 2022 increased 20% to 1,968,200 from 1,633,800 in the prior year. The increases in the customer-based metrics were primarily due to our acquisition of JMB in March 2021.

Gross profit increased 58% to \$194.0 million (3.20% of revenue) from \$123.1 million (2.26% of revenue) in the same year-ago period. The increase in gross profit was due to higher gross profits earned from the Direct-to-Consumer segment, partially offset by lower gross profits earned from the Wholesale Sales & Ancillary Services Segment. Gross profit contributed by JMB represented 46% of the total gross profit for the fiscal nine months ended March 31, 2022.

Selling, general and administrative expenses increased 78% to \$55.9 million from \$31.3 million in the same year-ago period. The increase in selling, general and administrative expenses was primarily due to \$19.4 million of expenses incurred by JMB, increased compensation expense (including performance-based accruals) of \$2.7 million, increased consulting and professional fees of \$1.6 million, and higher insurance costs of \$0.9 million.

Depreciation and amortization expense increased 865% to \$24.1 million from \$2.5 million in the same year-ago period. The increase was primarily due to \$21.5 million of amortization of acquired intangibles related to JMB.

Interest income increased 22% to \$16.1 million from \$13.2 million in the same year-ago

period. The aggregate increase in interest income was primarily due to higher interest income earned by our Secured Lending segment and higher other finance product income.

Interest expense increased 11% to \$16.3 million from \$14.7 million in the same year-ago period. The increase in interest expense was primarily driven by \$0.6 million associated with our Trading Credit Facility and Notes Payable (including amortization of debt issuance costs), \$0.7 million related to product financing arrangements, \$0.6 million of loan servicing fees, offset by a decrease of \$0.3 million associated with liabilities on borrowed metals.

Earnings from equity method investments decreased 69% to \$4.3 million from \$13.9 million in the same year-ago period. The net decrease of \$9.6 million includes a \$11.7 million decrease related to JMB, a former equity method investment which is now reported by the Company as a wholly owned subsidiary, offset by increased earnings of \$2.1 million from our other equity method investments.

Net income attributable to the Company totaled \$95.2 million or \$7.84 per diluted share, compared to net income of \$108.6 million or \$13.61 per diluted share in the same year-ago period. Net income attributable to the Company for the nine months ended March 31, 2021 included a \$26.3 million remeasurement gain on its pre-existing equity interest in JMB in connection with its acquisition. Excluding the remeasurement gain, net income attributable to the Company for the nine months ended March 31, 2021 was \$82.3 million. Net income attributable to the Company also included \$2.6 million of non-recurring costs associated with the acquisition of JMB. Diluted weighted average shares outstanding for the nine months ended March 31, 2022 were 12.1 million compared to 8.0 million in the same year-ago period.

Adjusted net income before provision for income taxes totaled \$144.4 million, compared to \$107.6 million in the same year-ago period. The increase is principally due to higher amortization of acquired intangibles of \$21.5 million, the \$26.3 million remeasurement gain in the prior year period, partly offset by lower net income before provision for income taxes of \$9.4 million.

Adjusted net income before provision for income taxes per diluted share for the nine months ended March 31, 2022 was \$11.89, as compared to \$13.48 for the nine months ended March 31, 2021. Diluted weighted average shares outstanding for the nine months ended March 31, 2022 were 12.1 million compared to 8.0 million in the same year-ago period.

## **Management Commentary**

“Our third quarter results again demonstrate the strength of our fully integrated precious metals platform as we grew revenue, gross profit and net income sequentially while expanding our gross margin,” said A-Mark CEO Greg Roberts. “Macroeconomic factors continue to provide strong tailwinds for our business and we remain optimistic as we finish out our final quarter of our fiscal year.

“Gross profit in our Direct-to-Consumer segment increased 12% sequentially quarter over quarter, while we continued to add new customers to our customer base. We believe JMB’s recent launch of CyberMetals, an innovative online platform where customers may purchase fractional ounces of digital gold, silver, platinum, and palladium in a range of denominations, will enhance and accelerate our new precious metals customer acquisition strategy. During

JMB's beta testing of the CyberMetals platform during the quarter, we accumulated 745 new customers, processed 990 trades, and ended the quarter with \$0.3 million of assets under management. We remain optimistic about the prospects of this new platform following the full commercial launch in April 2022.

"Additionally, our minting business achieved a new record level of production during the quarter, with 1 million ounces produced in a week, and we are contemplating further expansion opportunities for our minting operations given the continued strong demand and performance.

"Last week we announced the signing of a definitive agreement to increase our strategic investment in Silver Gold Bull, Inc. (SGB), a Calgary based e-commerce precious metals retailer, to 47.4%, which will expand A-Mark's footprint in the international market. We have participated in SGB's success and growth over the past several years and see continued growth opportunities for our companies while leveraging A-Mark's minting and wholesale sources of supply through an extended supplier agreement. The increased investment is expected to close in our fiscal 2022 fourth quarter, subject to certain closing conditions. We also continue to evaluate additional opportunities to expand our Direct-to-Consumer segment while diversifying the geography of our revenue in an accretive manner for stockholders."

### **Stock Split in the Form of a Dividend**

A-Mark also announced today that its board of directors has declared a two-for-one split of A-Mark's common stock in the form of a stock dividend to make stock ownership more accessible to employees and investors.

Each stockholder of record at the close of business on May 23, 2022 will receive a dividend of one additional share of common stock for every share held on the record date, to be distributed after the close of trading on June 6, 2022. Trading is expected to begin on a stock split-adjusted basis on June 7, 2022.

### **Conference Call**

A-Mark will hold a conference call today (May 5, 2022) to discuss these financial results. A-Mark management will host the call at 4:30 p.m. Eastern time (1:30 p.m. Pacific time). A question-and-answer session will follow management's presentation.

To participate, please dial the appropriate number at least five minutes prior to the start time and ask for the A-Mark Precious Metals conference call.

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

International number: 1-973-528-0011

Conference ID: 359365

The conference call will be broadcast simultaneously and available for replay via the Investor Relations section of A-Mark's website at [www.amark.com](http://www.amark.com). If you have any difficulty connecting with the conference call or webcast, 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

May 19, 2022.

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

International replay number: 1-919-882-2331

Conference ID: 45253

## **About A-Mark Precious Metals**

Founded in 1965, A-Mark Precious Metals, Inc. (NASDAQ: AMRK) 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, and e-commerce 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 five separately branded, company-owned websites targeting specific niches within the precious metals market: [JMBullion.com](#), [ProvidentMetals.com](#), [Silver.com](#), [GoldPrice.org](#), [SilverPrice.org](#). JMB also owns CyberMetals, an online platform where customers can purchase and sell fractional shares of digital gold, silver and platinum 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 two additional Direct-to-Consumer brands.

The company operates its Secured Lending segment through its wholly owned subsidiaries, Collateral Finance Corporation ([CFC](#)) and AM Capital Funding. 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. AM Capital Funding was formed in 2018 for the purpose of securitizing eligible secured loans of CFC.

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](http://www.amark.com).

### **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 future macroeconomic conditions and demand for precious metal products, and the Company's ability to effectively respond to changing economic conditions. 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: the failure to execute the Company's growth strategy as planned; greater than anticipated costs incurred to execute this strategy; changes in the current international political climate which has favorably contributed to demand and volatility in the precious metals markets; increased competition for the Company's higher margin services, which could depress pricing; the failure of the Company's business model to respond to changes in the market environment as anticipated; changes in consumer demand and preferences for precious metal products generally; the inability to satisfy the conditions to the closing of the Silver Gold Bull investment; the failure of Silver Gold Bull to maintain its unique customer base or changes in the buying preferences of this customer base; the failure otherwise to achieve anticipated benefits of the investment; general risks of doing business in the commodity markets; the effects of the COVID-19 pandemic and the eventual return to normalized business and economic conditions; and the strategic, business, economic, financial, political and governmental risks described in in the Company's public filings with the Securities and Exchange Commission. The words "should," "believe," "estimate," "expect," "intend," "anticipate," "foresee," "plan" and similar expressions and variations thereof identify certain of such forward-looking statements, which speak only as of the dates on which they were made. Additionally, any statements related to future improved performance and estimates of revenues and earnings per share are forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

### **Use and Reconciliation of Non-GAAP Financial Measures**

In addition to presenting the Company's financial results determined in accordance with U.S. GAAP, management believes the following non-GAAP financial measures are useful in evaluating the Company's operating performance. The Company presents "adjusted net income before provision for income taxes" and "adjusted net income before provision for income taxes per diluted share" because management believes these assist investors and analysts by facilitating comparison of period-to-period operational performance on a consistent basis by excluding items that management does not believe are indicative of the Company's core operating performance. The items excluded from these financial measures



may have a material impact on the Company's financial results. Certain of those items are non-recurring, while others are non-cash in nature. Non-GAAP measures do not have standardized definitions and should be considered in addition to, and not as a substitute for or superior to, the comparable measures prepared in accordance with U.S. GAAP, and should be read in conjunction with the financial statements included in the Company's Quarterly Report on Form 10-Q to be filed with the SEC.

In the Company's reconciliation from its reported U.S. GAAP "net income before provision for taxes" and "diluted net income per share" to its non-GAAP "adjusted net income before provision for income taxes" and "adjusted net income before provision for income taxes per diluted share," the Company eliminates the impact of the following four amounts: (i) acquisition expenses; (ii) amortization expenses related to intangible assets acquired; (iii) depreciation expense; and (iv) remeasurement gain.

Management encourages investors and others to review the Company's financial information in its entirety and not to rely on any single financial measure.

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**A-MARK PRECIOUS METALS, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(amounts in thousands, except for share data) (unaudited)**

	March 31, 2022	June 30, 2021
<b>ASSETS</b>		
Current assets:		
Cash	\$ 28,549	\$ 101,405
Receivables, net	65,636	89,000
Derivative assets	25,973	44,536
Secured loans receivable	145,838	112,968
Precious metals held under financing arrangements	87,450	154,742
Inventories:		
Inventories	564,816	256,991
Restricted inventories	199,447	201,028
	764,263	458,019
Prepaid expenses and other assets	8,188	3,557
<b>Total current assets</b>	<b>1,125,897</b>	<b>964,227</b>
Operating lease right of use assets	6,774	5,702
Property, plant, and equipment, net	9,542	8,609
Goodwill	100,943	100,943
Intangibles, net	70,716	93,633
Long-term investments	32,511	18,467
Other long-term assets	200	—
<b>Total assets</b>	<b>\$ 1,346,583</b>	<b>\$ 1,191,581</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Lines of credit	\$ 255,000	\$ 185,000
Liabilities on borrowed metals	67,824	91,866
Product financing arrangements	199,447	201,028
Accounts payable and other payables	26,175	5,935
Deferred revenue and other advances	193,081	194,416
Derivative liabilities	24,783	7,539
Accrued liabilities	21,399	18,785
Income tax payable	268	5,016
<b>Total current liabilities</b>	<b>787,977</b>	<b>709,585</b>
Notes payable	93,859	93,249
Deferred tax liabilities	14,951	19,514
Other liabilities	6,304	5,291
<b>Total liabilities</b>	<b>903,091</b>	<b>827,639</b>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value, authorized 10,000,000 shares; issued and outstanding: none as of March 31, 2022 and June 30, 2021	—	—
Common stock, par value \$0.01; 40,000,000 shares authorized; 11,514,010 and 11,229,657 shares issued and outstanding as of March 31, 2022 and June 30, 2021, respectively	116	113
Additional paid-in capital	156,997	150,420
Retained earnings	284,651	212,090
<b>Total A-Mark Precious Metals, Inc. stockholders' equity</b>	<b>441,764</b>	<b>362,623</b>
Noncontrolling interests	1,728	1,319
<b>Total stockholders' equity</b>	<b>443,492</b>	<b>363,942</b>
<b>Total liabilities, noncontrolling interests and stockholders' equity</b>	<b>\$ 1,346,583</b>	<b>\$ 1,191,581</b>

**A-MARK PRECIOUS METALS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(in thousands, except for share and per share data) (unaudited)

	Three Months Ended		Nine Months Ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Revenues	\$ 2,109,115	\$ 2,049,489	\$ 6,069,450	\$ 5,434,349
Cost of sales	2,037,032	1,981,318	5,875,435	5,311,282
Gross profit	72,083	68,171	194,015	123,067
Selling, general, and administrative expenses	(20,494)	(13,295)	(55,884)	(31,328)
Depreciation and amortization expense	(7,548)	(1,488)	(24,077)	(2,494)
Interest income	5,343	4,724	16,125	13,240
Interest expense	(5,429)	(5,335)	(16,297)	(14,665)
Earnings from equity method investments	1,608	7,410	4,317	13,898
Other income, net	493	340	1,335	904
Remeasurement gain on pre-existing equity interest	—	26,306	—	26,306
Unrealized losses on foreign exchange	(135)	(53)	(128)	(131)
Net income before provision for income taxes	45,921	86,780	119,406	128,797
Income tax expense	(8,375)	(9,847)	(23,797)	(18,944)
Net income	37,546	76,933	95,609	109,853
Net income attributable to noncontrolling interests	164	308	409	1,221
Net income attributable to the Company	<u>\$ 37,382</u>	<u>\$ 76,625</u>	<u>\$ 95,200</u>	<u>\$ 108,632</u>
<b>Basic and diluted net income per share</b>				
<b>attributable to A-Mark Precious Metals, Inc.:</b>				
Basic	<u>\$ 3.27</u>	<u>\$ 9.54</u>	<u>\$ 8.38</u>	<u>\$ 14.67</u>
Diluted	<u>\$ 3.06</u>	<u>\$ 8.84</u>	<u>\$ 7.84</u>	<u>\$ 13.61</u>
<b>Weighted average shares outstanding:</b>				
Basic	<u>11,429,800</u>	<u>8,028,900</u>	<u>11,356,400</u>	<u>7,403,900</u>
Diluted	<u>12,212,900</u>	<u>8,668,300</u>	<u>12,137,600</u>	<u>7,980,700</u>

**A-MARK PRECIOUS METALS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(amounts in thousands) (unaudited)

<b>Nine Months Ended March 31,</b>	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 95,609	\$ 109,853
<i>Adjustments to reconcile net income to net cash (used in) provided by operating activities:</i>		
Depreciation and amortization	24,077	2,494
Amortization of loan cost	2,089	1,661
Deferred income taxes	(4,563)	(1,561)
Interest added to principal of secured loans	(13)	(9)
Share-based compensation	1,628	659
Write-down of digital assets	50	—
Remeasurement gain on pre-existing equity method investment	—	(26,306)
Earnings from equity method investments	(4,317)	(13,898)
<i>Changes in assets and liabilities:</i>		
Receivables	23,364	3,507
Secured loans receivable	747	3,303
Secured loans made to affiliates	(1,989)	8,646
Derivative assets	18,563	(18,342)
Precious metals held under financing arrangements	67,292	17,589
Inventories	(306,244)	(181,933)
Prepaid expenses and other assets	(1,923)	(634)
Accounts payable and other payables	20,240	(63,694)
Deferred revenue and other advances	(1,335)	64,219
Derivative liabilities	17,244	(13,113)
Liabilities on borrowed metals	(24,042)	(58,471)
Accrued liabilities	2,569	4,258
Income tax payable	(4,748)	6,324
<b>Net cash used in operating activities</b>	<b>(75,702)</b>	<b>(155,448)</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures for property, plant, and equipment	(2,106)	(1,351)
Purchase of long-term investments	(6,750)	(6,763)
Secured loans receivable, net	(31,615)	(48,958)
Purchase of digital assets	(250)	—
Other secured loans, net	—	1,000
Incremental acquisition of pre-existing equity method investment, net of cash	—	(62,232)
<b>Net cash used in investing activities</b>	<b>(40,721)</b>	<b>(118,304)</b>
<b>Cash flows from financing activities:</b>		
Product financing arrangements, net	(1,581)	175,389
Dividends paid	(22,639)	(21,191)
Borrowings and repayments under lines of credit, net	70,000	30,000
Net proceeds from the issuance of common stock	—	75,315
Debt funding issuance costs	(4,187)	(1,831)
Net settlement on issuance of common shares on exercise of options	1,974	2,511
<b>Net cash provided by financing activities</b>	<b>43,567</b>	<b>260,193</b>
<b>Net decrease in cash, cash equivalents, and restricted cash</b>	<b>(72,856)</b>	<b>(13,559)</b>
<b>Cash, cash equivalents, and restricted cash, beginning of period</b>	<b>101,405</b>	<b>52,325</b>
<b>Cash, cash equivalents, and restricted cash, end of period</b>	<b>\$ 28,549</b>	<b>\$ 38,766</b>

## Overview of Results of Operations for the Three Months Ended March 31, 2022 and 2021

### Condensed Consolidated Results of Operations

The operating results for the three months ended March 31, 2022 and 2021 are as follows:

*in thousands, except per share data*

**Three Months Ended  
March 31,**

	2022		2021		\$	%
	\$	% of revenue	\$	% of revenue		
Revenues	\$ 2,109,115	100.000 %	\$ 2,049,489	100.000 %	\$ 59,626	2.9 %
Gross profit	72,083	3.418 %	68,171	3.326 %	\$ 3,912	5.7 %
Selling, general, and administrative expenses	(20,494)	(0.972 %)	(13,295)	(0.649 %)	\$ 7,199	54.1 %
Depreciation and amortization expense	(7,548)	(0.358 %)	(1,488)	(0.073 %)	\$ 6,060	407.3 %
Interest income	5,343	0.253 %	4,724	0.230 %	\$ 619	13.1 %
Interest expense	(5,429)	(0.257 %)	(5,335)	(0.260 %)	\$ 94	1.8 %
Earnings from equity method investments	1,608	0.076 %	7,410	0.362 %	\$ (5,802)	(78.3 %)
Other income, net	493	0.023 %	340	0.017 %	\$ 153	45.0 %
Remeasurement gain on pre-existing equity interest	—	—	26,306	1.284 %	\$ (26,306)	(100.0 %)
Unrealized losses on foreign exchange	(135)	(0.006 %)	(53)	(0.003 %)	\$ 82	154.7 %
Net income before provision for income taxes	45,921	2.177 %	86,780	4.234 %	\$ (40,859)	(47.1 %)
Income tax expense	(8,375)	(0.397 %)	(9,847)	(0.480 %)	\$ (1,472)	(14.9 %)
Net income	37,546	1.780 %	76,933	3.754 %	\$ (39,387)	(51.2 %)
Net income attributable to noncontrolling interests	164	0.008 %	308	0.015 %	\$ (144)	(46.8 %)
Net income attributable to the Company	\$ 37,382	1.772 %	\$ 76,625	3.739 %	\$ (39,243)	(51.2 %)

**Basic and diluted net income per share attributable to  
A-Mark Precious Metals, Inc.:**

**Per Share Data:**

Basic	\$ 3.27	\$ 9.54	\$ (6.27)	(65.7 %)
Diluted	\$ 3.06	\$ 8.84	\$ (5.78)	(65.4 %)

**Overview of Results of Operations for the Three Months Ended March 31, 2022 and December 31, 2021**  
**Condensed Consolidated Results of Operations**

The operating results for the three months ended March 31, 2022 and December 31, 2021 are as follows:

*in thousands, except per share data*

	Three Months Ended					
	March 31, 2022		December 31, 2021		\$	%
	\$	% of revenue	\$	% of revenue		
Revenues	\$ 2,109,115	100.000 %	\$ 1,946,364	100.000 %	\$ 162,751	8.4 %
Gross profit	72,083	3.418 %	65,923	3.387 %	\$ 6,160	9.3 %
Selling, general, and administrative expenses	(20,494)	(0.972) %	(18,713)	(0.961) %	\$ 1,781	9.5 %
Depreciation and amortization expense	(7,548)	(0.358) %	(8,258)	(0.424) %	\$ (710)	(8.6) %
Interest income	5,343	0.253 %	5,251	0.270 %	\$ 92	1.8 %
Interest expense	(5,429)	(0.257) %	(5,395)	(0.277) %	\$ 34	0.6 %
Earnings from equity method investments	1,608	0.076 %	1,220	0.063 %	\$ 388	31.8 %
Other income, net	493	0.023 %	433	0.022 %	\$ 60	13.9 %
Unrealized (losses) gains on foreign exchange	(135)	(0.006) %	231	0.012 %	\$ 366	158.4 %
Net income before provision for income taxes	45,921	2.177 %	40,692	2.091 %	\$ 5,229	12.9 %
Income tax expense	(8,375)	(0.397) %	(8,753)	(0.450) %	\$ (378)	(4.3) %
Net income	37,546	1.780 %	31,939	1.641 %	\$ 5,607	17.6 %
Net income attributable to non-controlling interests	164	0.008 %	145	0.007 %	\$ 19	13.1 %
Net income attributable to the Company	\$ 37,382	1.772 %	\$ 31,794	1.634 %	\$ 5,588	17.6 %

**Basic and diluted net income per share attributable to A-Mark Precious Metals, Inc.:**

**Per Share Data:**

Basic	\$ 3.27	\$ 2.79	\$ 0.48	17.2 %
Diluted	\$ 3.06	\$ 2.61	\$ 0.45	17.2 %

## **Overview of Results of Operations for the Nine Months Ended March 31, 2022 and 2021**

### **Condensed Consolidated Results of Operations**

The operating results for the nine months ended March 31, 2022 and 2021 are as follows:

*in thousands, except per share data*

**Nine Months Ended  
March 31,**

	2022		2021		\$	%
	\$	% of revenue	\$	% of revenue		
Revenues	\$ 6,069,450	100.000 %	\$ 5,434,349	100.000 %	\$ 635,101	11.7 %
Gross profit	194,015	3.197 %	123,067	2.265 %	\$ 70,948	57.6 %
Selling, general, and administrative expenses	(55,884)	(0.921 %)	(31,328)	(0.576 %)	\$ 24,556	78.4 %
Depreciation and amortization expense	(24,077)	(0.397 %)	(2,494)	(0.046 %)	\$ 21,583	865.4 %
Interest income	16,125	0.266 %	13,240	0.244 %	\$ 2,885	21.8 %
Interest expense	(16,297)	(0.269 %)	(14,665)	(0.270 %)	\$ 1,632	11.1 %
Earnings from equity method investments	4,317	0.071 %	13,898	0.256 %	\$ (9,581)	(68.9 %)
Other income, net	1,335	0.022 %	904	0.017 %	\$ 431	47.7 %
Remeasurement gain on pre-existing equity interest	—	—	26,306	0.484 %	\$ (26,306)	(100.0 %)
Unrealized losses on foreign exchange	(128)	(0.002 %)	(131)	(0.002 %)	\$ (3)	(2.3 %)
Net income before provision for income taxes	119,406	1.967 %	128,797	2.370 %	\$ (9,391)	(7.3 %)
Income tax expense	(23,797)	(0.392 %)	(18,944)	(0.349 %)	\$ 4,853	25.6 %
Net income	95,609	1.575 %	109,853	2.021 %	\$ (14,244)	(13.0 %)
Net income attributable to noncontrolling interests	409	0.007 %	1,221	0.022 %	\$ (812)	(66.5 %)
Net income attributable to the Company	\$ 95,200	1.569 %	\$ 108,632	1.999 %	\$ (13,432)	(12.4 %)

**Basic and diluted net income per share attributable to  
A-Mark Precious Metals, Inc.:**

**Per Share Data:**

Basic	\$ 8.38	\$ 14.67	\$ (6.29)	(42.9 %)
Diluted	\$ 7.84	\$ 13.61	\$ (5.77)	(42.4 %)

### **Reconciliation of U.S. GAAP to Non-GAAP Financial Measures for the Three Months Ended March 31, 2022 and 2021**

A reconciliation of net income before provision for income taxes and diluted net income per share to adjusted net income before provision for income taxes and adjusted net income before provision for income taxes per diluted share for the three months ended March 31, 2022 and 2021 follows:

*in thousands, except for share and per share data*

Three Months Ended March 31,	2022	2021	\$	%
	\$	\$	Increase/ (decrease)	Increase/ (decrease)
Net income before provision for income taxes	\$ 45,921	\$ 86,780	\$ (40,859)	(47.1 %)
Adjustments:				
Remeasurement gain on pre-existing equity interest	—	(26,306)	\$ (26,306)	(100.0 %)
Acquisition costs	836	2,196	\$ (1,360)	(61.9 %)
Amortization of acquired intangibles	7,188	1,140	\$ 6,048	530.5 %
Depreciation expense	360	348	\$ 12	3.4 %
Adjusted net income before provision for income taxes (non-GAAP)	\$ 54,305	\$ 64,158	\$ (9,853)	(15.4 %)
<b>Net income per diluted share reconciliation:</b>				
Diluted earnings per share	\$ 3.06	\$ 8.84	\$ (5.78)	(65.4 %)
Non-GAAP adjustments:				
Remeasurement gain on pre-existing equity interest	—	(3.03)	\$ (3.03)	(100.0 %)
Acquisition costs	0.07	0.25	\$ (0.18)	(72.0 %)
Amortization of acquired intangibles	0.59	0.13	\$ 0.46	353.8 %
Depreciation expense	0.03	0.04	\$ (0.01)	(25.0 %)
Income tax expense(1)	0.69	1.13	\$ (0.44)	(38.9 %)
Net income attributable to noncontrolling interests	0.01	0.04	\$ (0.03)	(75.0 %)
Adjusted net income before provision for income taxes per diluted share (non-GAAP)	\$ 4.45	\$ 7.40	\$ (2.95)	(39.9 %)
<b>Weighted average shares outstanding:</b>				
Diluted	12,212,900	8,668,300	3,544,600	40.9 %

## Reconciliation of U.S. GAAP to Non-GAAP Financial Measures for the Nine Months Ended March 31, 2022 and 2021

A reconciliation of net income before provision for income taxes and diluted net income per share to adjusted net income before provision for income taxes and adjusted net income before provision for income taxes per diluted share for the nine months ended March 31, 2022 and 2021 follows:



*in thousands, except for share and per share data*

**Nine Months Ended March 31,**

	<u>2022</u>	<u>2021</u>	<u>\$</u>	<u>%</u>
	<u>\$</u>	<u>\$</u>	<u>Increase/ (decrease)</u>	<u>Increase/ (decrease)</u>
Net income before provision for income taxes	\$ 119,406	\$ 128,797	\$ (9,391)	(7.3 %)
Adjustments:				
Remeasurement gain on pre-existing equity interest	—	(26,306)	\$ (26,306)	(100.0 %)
Acquisition costs	889	2,576	\$ (1,687)	(65.5 %)
Amortization of acquired intangibles	22,932	1,457	\$ 21,475	1,473.9 %
Depreciation expense	1,145	1,037	\$ 108	10.4 %
Adjusted net income before provision for income taxes (non-GAAP)	\$ 144,372	\$ 107,561	\$ 36,811	34.2 %
<b>Net income per diluted share reconciliation:</b>				
Diluted earnings per share	\$ 7.84	\$ 13.61	\$ (5.77)	(42.4 %)
Non-GAAP adjustments:				
Remeasurement gain on pre-existing equity interest	—	(3.30)	\$ (3.30)	100.0 %
Acquisition costs	0.07	0.32	\$ (0.25)	(78.1 %)
Amortization of acquired intangibles	1.89	0.19	\$ 1.70	894.7 %
Depreciation expense	0.09	0.13	\$ (0.04)	(30.8 %)
Income tax expense(1)	1.97	2.38	\$ (0.41)	(17.2 %)
Net income attributable to noncontrolling interests	0.03	0.15	\$ (0.12)	(80.0 %)
Adjusted net income before provision for income taxes per diluted share (non-GAAP)	\$ 11.89	\$ 13.48	\$ (1.59)	(11.8 %)
<b>Weighted average shares outstanding:</b>				
Diluted	12,137,600	7,980,700	4,156,900	52.1 %



Source: A-Mark Precious Metals