

A-Mark Precious Metals Announces Fiscal Fourth Quarter and Full Year 2022 Results

FY 2022 Non-GAAP Adjusted Net Income of \$195.0 million - up from \$179.9 million in FY 2021

270% YoY Increase in Direct-to-Consumer Active Customers

Company Declares Non-recurring Special Dividend of \$1.00 and Announces Regular Quarterly Cash Dividend Policy of \$0.20 per share (\$0.80 per share on an annual basis)

Over \$8.1 Billion of Revenues for Full Year 2022

EL SEGUNDO, Calif., Aug. 30, 2022 (GLOBE NEWSWIRE) -- **A-Mark Precious Metals, Inc. (NASDAQ: AMRK)**, a leading fully integrated precious metals platform, reported results today for the fiscal fourth quarter and full year ended June 30, 2022.

Fiscal Fourth Quarter 2022 Operational Highlights

- Gold ounces sold in the three months ended June 30, 2022 decreased 17% to 641,000 ounces from 772,000 ounces for the three months ended June 30, 2021, and decreased 12% from 727,000 ounces for the three months ended March 31, 2022
- Silver ounces sold in the three months ended June 30, 2022 increased 5% to 37.6 million ounces from 35.7 million ounces for the three months ended June 30, 2021, and increased 9% from 34.5 million ounces for the three months ended March 31, 2022
- As of June 30, 2022, the number of secured loans increased 21% to 2,271 from 1,881 as of June 30, 2021, and decreased 16% from 2,697 as of March 31, 2022
- Direct-to-Consumer new customers for the three months ended June 30, 2022 decreased 30% to 48,800 from 69,400 for the three months ended June 30, 2021, and decreased 21% from 61,800 for the three months ended March 31, 2022
- Direct-to-Consumer active customers for the three months ended June 30, 2022 increased 3% to 133,100 from 128,900 for the three months ended June 30, 2021, and decreased 18% from 162,700 for the three months ended March 31, 2022
- Direct-to-Consumer average order value for the three months ended June 30, 2022 increased \$348, or 15% to \$2,742 from \$2,394 for the three months ended June 30, 2021, and decreased \$13, or 0.5% from \$2,755 for the three months ended March 31, 2022
- JM Bullion's average order value for the three months ended June 30, 2022 increased \$258, or 12% to \$2,497 from \$2,239 for the three months ended June 30, 2021, and decreased \$77, or 3% from \$2,574 for the three months ended March 31, 2022

	Three Months Ended June 30,	
	2022	2021
Selected Key Operating Metrics:		
Gold ounces sold (1)	641,000	772,000
Silver ounces sold (2)	37,597,000	35,682,000
Number of secured loans at period end (3)	2,271	1,881
Direct-to-Consumer ("DTC") number of new customers (4)	48,800	69,400
Direct-to-Consumer number of active customers (5)	133,100	128,900
Direct-to-Consumer number of total customers (6)	2,013,000	1,782,600
Direct-to-Consumer average order value ("AOV") (7)	\$ 2,742	\$ 2,394
JM Bullion ("JMB") average order value (8)	\$ 2,497	\$ 2,239
CyberMetals number of new customers (9)	5,200	-
CyberMetals number of active customers (10)	2,800	-
CyberMetals number of total customers (11)	5,900	-
CyberMetals customer assets under management (12)	\$ 3,700,000	\$ -

(1) Gold ounces sold represents the ounces of gold product sold and delivered to the customer during the period, excluding ounces of gold recorded on forward contracts.

(2) Silver ounces sold represents the ounces of silver product sold and delivered to the customer during the period, excluding ounces of silver recorded on forward contracts.

(3) Number of outstanding secured loans to customers that are primarily collateralized by precious metals at the end of the period.

(4) DTC number of new customers represents the number of customers that have registered or set up a new account or made a purchase for the first time during the period within the Direct-to-Consumer segment (includes JMB, GLI and PMPP).

(5) DTC number of active customers represents the number of customers that have made a purchase during the period within the Direct-to-Consumer segment.

(6) DTC number of total customers represents the aggregate number of customers that have registered or set up an account or have made a purchase in the past within the Direct-to-Consumer segment.

(7) DTC AOV represents the average dollar value of third-party product orders (excluding accumulation program orders) delivered to the customer during the period within the Direct-to-Consumer segment.

(8) JMB AOV represents the average dollar value of third-party product orders delivered to JMB's customers during the period.

(9) CyberMetals number of new customers represents the number of customers that have registered or set up a new account or made a purchase for the first time during the period on the CyberMetals platform.

(10) CyberMetals number of active customers represents the number of customers that have made a purchase during the period from the CyberMetals platform.

(11) CyberMetals number of total customers represents the aggregate number of customers that have registered or set up an account or have made a purchase in the past from the CyberMetals platform.

(12) CyberMetals customer assets under management represents the total value of assets managed by the Company on behalf of CyberMetals customers.

Full Year 2022 Operational Highlights

- Gold ounces sold for the fiscal year ended June 30, 2022 decreased 3% to 2,668,000 ounces from 2,743,000 ounces for the fiscal year ended June 30, 2021
- Silver ounces sold for the fiscal year ended June 30, 2022 increased 16% to 132.2 million ounces from 114.3 million ounces for the fiscal year ended June 30, 2021
- Direct-to-Consumer new customers for the fiscal year ended June 30, 2022 increased 146,100, or 173% to 230,400 from 84,300 for the fiscal year ended June 30, 2021, reflecting the first full year of ownership of JM Bullion
- Direct-to-Consumer active customers for the fiscal year ended June 30, 2022 increased 456,000, or 272% to 623,700 from 167,700 for the fiscal year ended June 30, 2021, reflecting the first full year of ownership of JM Bullion
- Direct-to-Consumer total customers as of June 30, 2022 increased 230,400, or 13% to 2,013,000 from 1,782,600 as of June 30, 2021

- Direct-to-Consumer average order value for the fiscal year ended June 30, 2022 decreased \$253, or 9% to \$2,520 from \$2,773 for the fiscal year ended June 30, 2021, with JMB's contribution for the post acquisition period
- JM Bullion's average order value for the fiscal year ended June 30, 2022 increased \$86, or 4% to \$2,328 from \$2,242 for the post acquisition period during the fiscal year ended June 30, 2021

	Years Ended June 30,	
	2022	2021
Selected Key Operating Metrics:		
Gold ounces sold ⁽¹⁾	2,668,000	2,743,000
Silver ounces sold ⁽²⁾	132,209,000	114,275,000
Number of secured loans at period end ⁽³⁾	2,271	1,881
Direct-to-Consumer ("DTC") number of new customers ⁽⁴⁾	230,400	84,300
Direct-to-Consumer number of active customers ⁽⁵⁾	623,700	167,700
Direct-to-Consumer number of total customers ⁽⁶⁾	2,013,000	1,782,600
Direct-to-Consumer average order value ("AOV") ⁽⁷⁾	\$ 2,520	\$ 2,773
JM Bullion ("JMB") average order value ⁽⁸⁾	\$ 2,328	\$ 2,242
CyberMetals number of new customers ⁽⁹⁾	5,900	-
CyberMetals number of active customers ⁽¹⁰⁾	3,000	-
CyberMetals number of total customers ⁽¹¹⁾	5,900	-
CyberMetals customer assets under management ⁽¹²⁾	\$ 3,700,000	\$ -
<p>(1) Gold ounces sold represents the ounces of gold product sold and delivered to the customer during the period, excluding ounces of gold recorded on forward contracts.</p> <p>(2) Silver ounces sold represents the ounces of silver product sold and delivered to the customer during the period, excluding ounces of silver recorded on forward contracts.</p> <p>(3) Number of outstanding secured loans to customers that are primarily collateralized by precious metals at the end of the period.</p> <p>(4) DTC number of new customers represents the number of customers that have registered or set up a new account or made a purchase for the first time during the period within the Direct-to-Consumer segment (includes JMB, GLI and PMPP).</p> <p>(5) DTC number of active customers represents the number of customers that have made a purchase during the period within the Direct-to-Consumer segment.</p> <p>(6) DTC number of total customers represents the aggregate number of customers that have registered or set up an account or have made a purchase in the past within the Direct-to-Consumer segment.</p> <p>(7) DTC AOV represents the average dollar value of third-party product orders (excluding accumulation program orders) delivered to the customer during the period within the Direct-to-Consumer segment.</p> <p>(8) JMB AOV represents the average dollar value of third-party product orders delivered to JMB's customers during the period.</p> <p>(9) CyberMetals number of new customers represents the number of customers that have registered or set up a new account or made a purchase for the first time during the period on the CyberMetals platform.</p> <p>(10) CyberMetals number of active customers represents the number of customers that have made a purchase during the period from the CyberMetals platform.</p> <p>(11) CyberMetals number of total customers represents the aggregate number of customers that have registered or set up an account or have made a purchase in the past from the CyberMetals platform.</p> <p>(12) CyberMetals customer assets under management represents the total value of assets managed by the Company on behalf of CyberMetals customers.</p>		

Fiscal Fourth Quarter 2022 Financial Highlights

- Revenues for the three months ended June 30, 2022 decreased 4% to \$2.09 billion from \$2.18 billion for the three months ended June 30, 2021 and decreased 1% from \$2.11 billion for the three months ended March 31, 2022
- Gross profit for the three months ended June 30, 2022 decreased 22% to \$67.8 million from \$87.1 million for the three months ended June 30, 2021 and decreased 6% from \$72.1 million for the three months ended March 31, 2022

- Gross profit margin for the three months ended June 30, 2022 decreased to 3.24% of revenue, from 4.00% of revenue for the three months ended June 30, 2021, and decreased from 3.42% of revenue for the three months ended March 31, 2022
- Net income attributable to the Company for the three months ended June 30, 2022 decreased 27% to \$37.3 million from \$51.0 million for the three months ended June 30, 2021, and was comparable to net income attributable to the Company of \$37.4 million for the three months ended March 31, 2022
- Diluted earnings per share totaled \$1.52 for the three months ended June 30, 2022, a 29% decrease compared to \$2.14 for the three months ended June 30, 2021, adjusted for the effect of the two-for-one stock split that occurred in June 2022, and decreased 0.7% from \$1.53 for the three months ended March 31, 2022, adjusted for the effect of the two-for-one stock split that occurred in June 2022
- Adjusted net income before provision for income taxes, depreciation, amortization, acquisition costs and remeasurement gain (“Adjusted net income before provision for income taxes” or “Adjusted net income”), a non-GAAP financial measure, for the three months ended June 30, 2022 decreased 30% to \$50.6 million from \$72.3 million for the three months ended June 30, 2021, and decreased 7% from \$54.3 million for the three months ended March 31, 2022
- Earnings before interest, taxes, depreciation and amortization (“EBITDA”), a non-GAAP liquidity measure, for the three months ended June 30, 2022 decreased 30% to \$50.3 million from \$72.3 million for the three months ended June 30, 2021, and decreased 6% from \$53.6 million for the three months ended March 31, 2022

	Three Months Ended June 30,	
	2022	2021
(in thousands, except Earnings per Share and Weighted Average Shares Outstanding)		
Selected Key Financial Statement Metrics:		
Revenues	\$ 2,089,804	\$ 2,178,666
Gross profit	\$ 67,750	\$ 87,131
Depreciation and amortization expense	\$ (3,223)	\$ (8,294)
Net income attributable to the Company	\$ 37,336	\$ 51,005
Earnings per Share (1):		
Basic	\$ 1.62	\$ 2.28
Diluted	\$ 1.52	\$ 2.14
Weighted Average Shares Outstanding (1):		
Basic	23,085,500	22,343,800
Diluted	24,494,100	23,831,400
Non-GAAP Financial Measures:		
Adjusted net income before provision for income taxes	\$ 50,628	\$ 72,298
EBITDA	\$ 50,254	\$ 72,264
(1) Q4 FY 2021 is retroactively adjusted for the effect of the June 2022 two-for-one stock split in the form of a stock dividend.		

Fiscal Fourth Quarter 2022 Financial Summary

Revenues decreased 4% to \$2.09 billion from \$2.18 billion in the same year-ago quarter due to a decrease in gold ounces sold and lower average selling prices of silver, offset by an

increase in silver ounces sold and forward sales, and higher average selling prices of gold.

The Direct-to-Consumer segment contributed 23% and 30% of the consolidated revenue in the fiscal fourth quarters of 2022 and 2021, respectively. JMB's revenue represented 21% of the consolidated revenues for the fiscal fourth quarter of 2022 compared with 28% for the prior year fiscal fourth quarter.

Gross profit decreased 22% to \$67.8 million (3.24% of revenue) from \$87.1 million (4.00% of revenue) in the same year-ago quarter. The decrease in gross profit was due to lower gross profits earned from the Wholesale Sales & Ancillary Services Segment and Direct-to-Consumer segments. The Direct-to-Consumer segment contributed 57% and 50% of the consolidated gross profit in the fiscal fourth quarters of 2022 and 2021, respectively. Gross profit contributed by JMB represented 46% of the consolidated gross profit in the fiscal fourth quarter of 2022 and 43% of the consolidated gross profit for the prior year fiscal fourth quarter.

Selling, general, and administrative expenses increased 24% to \$20.7 million from \$16.7 million in the same year-ago quarter. The increase was primarily due to an increase of \$2.2 million of expenses incurred by JMB, higher insurance costs of \$1.7 million and increased compensation expense (including performance-based accruals) of \$1.0 million, partially offset by lower computer-related costs of \$0.6 million.

Depreciation and amortization expense decreased 61% to \$3.2 million from \$8.3 million in the same year-ago quarter. The decrease in depreciation and amortization expense was primarily due to a \$5.1 million decrease in amortization of acquired intangibles related to JMB.

Interest income increased 8% to \$5.7 million from \$5.2 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 10% to \$5.7 million from \$5.2 million in the same year-ago quarter. The increase in interest expense was primarily driven by a \$0.6 million increase associated with our Trading Credit Facility and Notes Payable (including amortization of debt issuance costs), and a \$0.5 million increase related to product financing arrangements, offset by \$0.6 million of lower interest costs from liabilities on borrowed metals.

Earnings from equity method investments increased 57% to \$2.6 million from \$1.6 million in the same year-ago quarter. The increase reflects our higher percentage ownership in our equity method investments in comparison to the prior year.

Net income attributable to the Company totaled \$37.3 million or \$1.52 per diluted share, compared to net income of \$51.0 million or \$2.14 per diluted share in the same year-ago quarter, adjusted for the effect of the two-for-one stock split that occurred in June 2022.

Adjusted net income for the three months ended June 30, 2022 totaled \$50.6 million, compared to \$72.3 million in the same year-ago quarter. The decrease is principally due to lower net income before provision for income taxes of \$17.0 million and \$5.2 million of lower amortization of acquired intangibles offset by \$0.4 million of higher acquisition costs and

\$0.1 million of higher depreciation expense.

EBITDA for the three months ended June 30, 2022 totaled \$50.3 million, compared to \$72.3 million in the same year-ago quarter. The decrease is principally due to lower net income of \$13.6 million. See the reconciliation of net income to EBITDA for further details.

Full Year 2022 Financial Highlights

- Revenues for the fiscal year ended June 30, 2022 increased 7% to \$8.16 billion from \$7.61 billion for the fiscal year ended June 30, 2021
- Gross profit for the fiscal year ended June 30, 2022 increased 25% to \$261.8 million from \$210.2 million for the fiscal year ended June 30, 2021
- Gross profit margin for the fiscal year ended June 30, 2022 increased to 3.21% of revenue, from 2.76% of revenue for the fiscal year ended June 30, 2021
- Net income attributable to the Company for the fiscal year ended June 30, 2022 decreased 17% to \$132.5 million from \$159.6 million for fiscal year ended June 30, 2021
- Diluted earnings per share totaled \$5.45 for the fiscal year ended June 30, 2022, a 39% decrease compared to \$8.90 for the fiscal year ended June 30, 2021, adjusted for the effect of the two-for-one stock split that occurred in June 2022
- Adjusted net income for the fiscal year ended June 30, 2022 totaled \$195.0 million, an increase of 8% from \$179.9 million for the fiscal year ended June 30, 2021
- EBITDA for the fiscal year ended June 30, 2022 totaled \$193.9 million, a decrease of 5% from \$205 million for the fiscal year ended June 30, 2021

	Years Ended June 30,	
	2022	2021
(in thousands, except Earnings per Share and Weighted Average Shares Outstanding)		
Selected Key Financial Statement Metrics:		
Revenues	\$ 8,159,254	\$ 7,613,015
Gross profit	\$ 261,765	\$ 210,198
Depreciation and amortization expense	\$ (27,300)	\$ (10,789)
Remeasurement gain on pre-existing equity interest (1)	\$ -	\$ 26,306
Net income attributable to the Company	\$ 132,536	\$ 159,637
Earnings per Share (2):		
Basic	\$ 5.81	\$ 9.57
Diluted	\$ 5.45	\$ 8.90
Weighted Average Shares Outstanding (2):		
Basic	22,805,600	16,686,600
Diluted	24,329,500	17,944,600
Non-GAAP Financial Measures:		
Adjusted net income before provision for income taxes	\$ 195,000	\$ 179,860
EBITDA	\$ 193,909	\$ 204,981
<p>(1) Recognized during fiscal year 2021 in connection with the acquisition of JM Bullion.</p> <p>(2) Fiscal Year 2021 is retroactively adjusted for the effect of the June 2022 two-for-one stock split in the form of a stock dividend.</p>		

Full Year 2022 Financial Summary

Revenues increased 7% to \$8.16 billion from \$7.61 billion in the prior fiscal year due to an increase in silver ounces sold, higher average selling prices of gold, and higher forward sales, offset by a decrease in gold ounces sold and lower average selling prices of silver.

The Direct-to-Consumer segment contributed 26% and 11% of the consolidated revenue in the fiscal year ended June 30, 2022 and 2021, respectively. The increase in revenue from the Direct-to-Consumer segment reflects the acquisition of JMB in March 2021 and the growth of the segment's customer base resulting from increased advertising and marketing efforts. JMB's revenue represented 24% of the consolidated revenues for the fiscal year ended June 30, 2022 compared with 9% of the consolidated revenues for the fiscal year ended June 30, 2021, since its results were included beginning only in March of the prior year.

Gross profit increased 25% to \$261.8 million (3.21% of revenue) in fiscal year 2022 from \$210.2 million (2.76% of revenue) in the prior year. The increase in gross profit was due to higher gross profits earned from the Direct-to-Consumer segment, offset by lower gross profits earned from the Wholesale Sales & Ancillary Services Segment. The Direct-to-Consumer segment contributed 56% and 34% of the consolidated gross profit in fiscal year 2022 and 2021, respectively. JMB contributed 46% to the consolidated gross profit for the fiscal year 2022 compared with 22% in fiscal year 2021, since its results were included beginning only in March of the prior year.

Selling, general and administrative expenses increased 60% to \$76.6 million from \$48.0 million in the prior fiscal year. The increase was primarily due to an increase of \$21.6 million of expenses incurred by JMB, increased compensation expense (including performance-based accruals) of \$3.7 million, higher insurance costs of \$2.6 million, and increased consulting and professional fees of \$1.5 million, partially offset by lower computer-related costs of \$0.6 million.

Depreciation and amortization expense increased 153% to \$27.3 million from \$10.8 million in fiscal year 2021. The increase was primarily due to \$16.4 million of higher amortization of acquired intangibles related to JMB.

Interest income increased 18% to \$21.8 million from \$18.5 million in the prior fiscal year. The increase was primarily due to higher interest income of \$2.9 million earned by our Secured Lending segment due to higher average monthly secured loan balances outstanding as compared to the prior fiscal year, and \$0.4 million of higher other finance product income. The number of secured loans increased 21% to 2,271 as of June 30, 2022 from 1,881 as of June 30, 2021.

Interest expense increased 11% to \$22.0 million from \$19.9 million in fiscal year 2021. The increase in interest expense was primarily driven by \$1.3 million associated with our Trading Credit Facility and Notes Payable (including amortization of debt issuance costs), \$1.2 million related to product financing arrangements, \$0.5 million of loan servicing fees, offset by a decrease of \$0.9 million associated with liabilities on borrowed metals.

Earnings from equity method investments decreased 56% to \$6.9 million from \$15.5 million in the prior fiscal year. The net decrease of \$8.6 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 \$3.1 million from our other equity method investments.

Net income attributable to the Company decreased \$27.1 million to \$132.5 million from net income of \$159.6 million in the prior fiscal year. Prior year net income attributable to the Company included a one-time \$26.3 million remeasurement gain on the Company's pre-existing equity interest in JMB in connection with its acquisition. Excluding this remeasurement gain in fiscal year 2021, net income attributable to the Company decreased \$0.8 million compared to the prior fiscal year.

Earnings per diluted share totaled \$5.45 for fiscal year 2022 compared with \$8.90 for fiscal year 2021. Diluted weighted average shares outstanding for the fiscal year ended June 30, 2022 were 24.3 million compared to 17.9 million in the prior fiscal year, which has been adjusted for the effect of the two-for-one stock split that occurred in June 2022.

Adjusted net income before provision for income taxes for fiscal year 2022 totaled \$195.0 million, an increase of \$15.1 million or 8% compared to \$179.9 million in fiscal year 2021. The increase is primarily due to \$16.3 million of higher amortization of acquired intangibles and \$0.2 million higher depreciation expense offset by \$1.3 million of lower acquisition costs and lower net income before provision for income taxes of \$26.4 million, principally due to the prior year remeasurement gain of \$26.3 million.

EBITDA for fiscal year 2022 totaled \$193.9 million, a decrease of \$11.1 million, compared to \$205.0 million in the prior fiscal year. The decrease is primarily due to lower net income of \$27.8 million, principally due to the decrease in the remeasurement gain of \$26.3 million. See the reconciliation of net income to EBITDA for further details.

Management Commentary

"Our fiscal year 2022 marked another impressive year of financial performance and progress in growing our industry-leading fully integrated precious metals platform," said A-Mark CEO Greg Roberts. "Gross profit and adjusted net income before provision for income taxes grew on a year-over-year basis 25% and 8%, respectively, contributing to a return on equity of 27%, demonstrating the strong financial results our business is capable of generating. Our revenues exceeded \$8.1 billion, we shipped over 1 million packages from our Logistics fulfillment center, and we increased our year-over-year active customers in our Direct-to-Consumer segment by over 270%.

"Our fourth quarter also had some notable highlights with 31.9 million ounces of silver sold within our Wholesale Sales and Ancillary Services segment and production at SilverTowne Mint exceeding 11.4 million ounces, more than the Mint has produced in any recent full year. Fiscal 2022 was our first year of full ownership of the Mint and combined with our strategic partnership with Sunshine Minting, we benefitted greatly throughout the year from a steady source of product during periods of supply constraints.

"Reflecting on the year, I am proud of our many accomplishments: further integrating JM Bullion ("JMB") during the first full year post acquisition; launching the CyberMetals platform enabling precious metals digital transactions; and increasing our ownership of two strategic investments - in Pinehurst Coins, a leading precious metals broker and one of the nation's

largest e-commerce retailers of certified coins, and in Silver Gold Bull, a leading Canadian e-commerce precious metals retailer. We also closed our three-year committed \$350 million credit facility, the largest revolving credit line in the Company's history, launched our carbon-neutrality initiative, and as I mentioned previously, grew our Direct-to-Consumer segment total customer base by 13% to 2 million and our active customer base by 270%.

"We continue to evaluate opportunities to expand our geographic presence and market reach while creating value for our stockholders. We remain optimistic that our industry-leading fully integrated precious metals platform and proven business model will allow us to realize growth and profitability over the long term."

Dividends

Special Dividend

A-Mark's Board of Directors has declared a non-recurring special cash dividend of \$1.00 per common share. The special dividend will be paid on September 26, 2022 to stockholders of record as of September 12, 2022.

Adoption of Quarterly Cash Dividend Policy

A-Mark's Board of Directors has adopted a regular quarterly cash dividend policy of \$0.20 per common share (\$0.80 per share on an annual basis). The initial quarterly cash dividend under the policy will be paid on October 24, 2022 to stockholders of record as of October 10, 2022. The declaration of regular cash dividends in the future is subject to the determination each quarter by the Board of Directors, based on a number of factors, including the Company's financial performance, available cash resources, cash requirements and alternative uses of cash and applicable bank covenants.

Conference Call

A-Mark will hold a conference call today (August 30, 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: 991286

The conference call will be webcast simultaneously and available for replay through this link: <https://www.webcaster4.com/Webcast/Page/2867/46338>

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 September 13, 2022.

Toll-free replay number: 1-877-481-4010
International replay number: 1-919-882-2331
Conference ID: 46338

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, 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 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.

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; 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; potential adverse effects of the current problems in the national and global supply chains; 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; potential negative effects that inflationary pressure may have on our business; the failure of our investee companies to maintain, or address the preferences of, their customer bases; general risks of doing business in the commodity markets; the continued 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 and other Risk Factors 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 and Liquidity Measures

In addition to presenting the Company's financial results determined in accordance with U.S. GAAP, management believes the following non-GAAP measures are useful in evaluating the Company's operating performance: "adjusted net income before provision for income taxes" and "earnings before interest, taxes, depreciation and amortization" ("EBITDA"). Management believes the "adjusted net income before provision for income taxes" non-GAAP financial measure assists 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 this financial measure 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. Management believes the EBITDA non-GAAP liquidity measure assists investors and analysts by facilitating comparison with other publicly traded companies. 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 Annual Report on Form 10-K to be filed with the SEC. Management encourages investors and others to review the Company's financial information in its entirety and not to rely on any single financial or liquidity measure.

In the Company's reconciliation from its reported U.S. GAAP "net income before provision for taxes" to its non-GAAP "adjusted net income before provision for income taxes", 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. The Company's reconciliations from its reported U.S. GAAP "net cash provided by (used in) operating activities" to its non-GAAP "EBITDA" are provided below and are also included in the Company's Annual Report on Form 10-K to be filed with the SEC for the fiscal year ended June 30, 2022.

Company Contact:

Steve Reiner, Executive Vice President, Capital Markets & Investor Relations
A-Mark Precious Metals, Inc.
1-310-587-1410
sreiner@amark.com

Investor Relations Contact:

Matt Glover or Jeff Grampp, CFA
Gateway Investor Relations
1-949-574-3860
AMRK@gatewayIR.com

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

	June 30, 2022	June 30, 2021
ASSETS		
Current assets:		
Cash	\$ 37,783	\$ 101,405
Receivables, net	97,040	89,000
Derivative assets	91,743	44,536
Secured loans receivable	126,217	112,968
Precious metals held under financing arrangements	79,766	154,742
Inventories:		
Inventories	458,347	256,991
Restricted inventories	282,671	201,028
	<u>741,018</u>	<u>458,019</u>
Prepaid expenses and other assets	7,558	3,557
Total current assets	<u>1,181,125</u>	<u>964,227</u>
Operating lease right of use assets	6,482	5,702
Property, plant, and equipment, net	9,845	8,609
Goodwill	100,943	100,943
Intangibles, net	67,965	93,633
Long-term investments	70,828	18,467
Other long-term assets	5,471	—
Total assets	<u>\$ 1,442,659</u>	<u>\$ 1,191,581</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Lines of credit	\$ 215,000	\$ 185,000
Liabilities on borrowed metals	59,417	91,866
Product financing arrangements	282,671	201,028
Accounts payable and other payables	6,127	5,935
Deferred revenue and other advances	175,545	194,416
Derivative liabilities	75,780	7,539
Accrued liabilities	21,813	18,785
Income tax payable	382	5,016
Total current liabilities	<u>836,735</u>	<u>709,585</u>
Notes payable	94,073	93,249
Deferred tax liabilities	15,408	19,514
Other liabilities	5,972	5,291
Total liabilities	<u>952,188</u>	<u>827,639</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value, authorized 10,000,000 shares; issued and outstanding: none as of June 30, 2022 and June 30, 2021	—	—
Common stock, par value \$0.01; 40,000,000 shares authorized; 23,379,888 and 22,459,314 shares issued and outstanding as of June 30, 2022 and June 30, 2021, respectively	234	113
Additional paid-in capital	166,526	150,420
Retained earnings	321,849	212,090
Total A-Mark Precious Metals, Inc. stockholders' equity	<u>488,609</u>	<u>362,623</u>
Noncontrolling interests	1,862	1,319
Total stockholders' equity	<u>490,471</u>	<u>363,942</u>
Total liabilities, noncontrolling interests and stockholders' equity	<u>\$ 1,442,659</u>	<u>\$ 1,191,581</u>

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

	Years Ended	
	June 30, 2022	June 30, 2021
Revenues	\$ 8,159,254	\$ 7,613,015
Cost of sales	7,897,489	7,402,817
Gross profit	<u>261,765</u>	<u>210,198</u>
Selling, general, and administrative expenses	(76,618)	(48,020)
Depreciation and amortization expense	(27,300)	(10,789)
Interest income	21,800	18,474
Interest expense	(21,992)	(19,865)
Earnings from equity method investments	6,907	15,547
Other income, net	1,953	1,079
Remeasurement gain on pre-existing equity interest	—	26,306
Unrealized losses on foreign exchange	(98)	(129)
Net income before provision for income taxes	<u>166,417</u>	<u>192,801</u>
Income tax expense	(33,338)	(31,877)
Net income	<u>133,079</u>	<u>160,924</u>
Net income attributable to noncontrolling interests	543	1,287
Net income attributable to the Company	<u>\$ 132,536</u>	<u>\$ 159,637</u>
Basic and diluted net income per share attributable to A-Mark Precious Metals, Inc.:		
Basic	<u>\$ 5.81</u>	<u>\$ 9.57</u>
Diluted	<u>\$ 5.45</u>	<u>\$ 8.90</u>
Weighted average shares outstanding:		
Basic	<u>22,805,600</u>	<u>16,686,600</u>
Diluted	<u>24,329,500</u>	<u>17,944,600</u>

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

Years Ended June 30,	2022	2021
Cash flows from operating activities:		
Net income	\$ 133,079	\$ 160,924
<i>Adjustments to reconcile net income to net cash (used in) provided by operating activities:</i>		
Depreciation and amortization	27,300	10,789
Amortization of loan cost	2,651	2,162
Deferred income taxes	(4,106)	(2,034)
Interest added to principal of secured loans	(14)	(13)
Share-based compensation	2,140	1,173
Write-down of digital assets	229	—
Remeasurement gain on pre-existing equity method investment	—	(26,306)
Earnings from equity method investments	(6,907)	(15,547)
Dividends received from equity method investees	1,678	343
<i>Changes in assets and liabilities:</i>		
Receivables	(8,040)	(20,880)
Secured loans receivable	757	1,932
Secured loans made to affiliates	3,042	5,755
Derivative assets	(47,207)	7,447
Precious metals held under financing arrangements	74,976	23,835
Inventories	(282,999)	(79,031)
Prepaid expenses and other assets	(649)	(7)
Accounts payable and other payables	192	(86,097)
Deferred revenue and other advances	(18,871)	58,651
Derivative liabilities	68,241	(20,194)
Liabilities on borrowed metals	(32,449)	(76,340)
Accrued liabilities	2,425	5,686
Income tax payable	(4,634)	(4,902)
Net cash used in operating activities	(89,166)	(52,654)
Cash flows from investing activities:		
Capital expenditures for property, plant, and equipment	(2,879)	(2,113)
Purchase of long-term investments	(34,950)	(7,996)
Purchase of an option to acquire long-term investments	(5,300)	—
Secured loans receivable, net	(17,034)	(56,932)
Acquisition of remaining noncontrolling equity interest in joint venture	—	(1,950)
Purchase of digital assets	(400)	—
Redemption associated with acquisition of pre-existing equity method investment	—	17,457
Incremental acquisition of pre-existing equity method investment, net of cash	—	(78,859)
Net cash used in investing activities	(60,563)	(130,393)
Cash flows from financing activities:		
Product financing arrangements, net	81,643	126,350
Dividends paid	(22,645)	(21,191)
Borrowings and repayments under lines of credit, net	30,000	50,000
Debt funding issuance costs	(5,179)	(1,861)
Net proceeds from the issuance of common stock	—	75,344
Net settlement on issuance of common shares on exercise of options	2,288	3,485
Net cash provided by financing activities	86,107	232,127
Net (decrease) increase in cash, cash equivalents, and restricted cash	(63,622)	49,080
Cash, cash equivalents, and restricted cash, beginning of period	101,405	52,325
Cash, cash equivalents, and restricted cash, end of period	\$ 37,783	\$ 101,405

Overview of Results of Operations for the Three Months Ended June 30, 2022 and 2021

Consolidated Results of Operations

The operating results for the three months ended June 30, 2022 and 2021 are as follows:

in thousands, except per share data

Three Months Ended June 30,	2022		2021		\$	%
	\$	% of revenue	\$	% of revenue		
Revenues	\$2,089,804	100.000 %	\$2,178,666	100.000 %	\$ (88,862)	(4.1 %)
Gross profit	67,750	3.242 %	87,131	3.999 %	\$ (19,381)	(22.2 %)
Selling, general, and administrative expenses	(20,734)	(0.992 %)	(16,693)	(0.766 %)	\$ 4,041	24.2 %
Depreciation and amortization expense	(3,223)	(0.154 %)	(8,294)	(0.381 %)	\$ (5,071)	(61.1 %)
Interest income	5,675	0.272 %	5,234	0.240 %	\$ 441	8.4 %
Interest expense	(5,695)	(0.273 %)	(5,200)	(0.239 %)	\$ 495	9.5 %
Earnings from equity method investments	2,590	0.124 %	1,648	0.076 %	\$ 942	57.2 %
Other income, net	618	0.030 %	176	0.008 %	\$ 442	251.1 %
Unrealized gains on foreign exchange	30	0.001 %	2	0.000 %	\$ 28	1,400.0 %
Net income before provision for income taxes	47,011	2.250 %	64,004	2.938 %	\$ (16,993)	(26.5 %)
Income tax expense	(9,541)	(0.457 %)	(12,933)	(0.594 %)	\$ (3,392)	(26.2 %)
Net income	37,470	1.793 %	51,071	2.344 %	\$ (13,601)	(26.6 %)
Net income attributable to noncontrolling interests	134	0.006 %	66	0.003 %	\$ 68	103.0 %
Net income attributable to the Company	<u>\$ 37,336</u>	1.787 %	<u>\$ 51,005</u>	2.341 %	\$ (13,669)	(26.8 %)

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

Per Share Data:

Basic	\$ 1.62	\$ 2.28	\$ (0.66)	(28.9 %)
Diluted	\$ 1.52	\$ 2.14	\$ (0.62)	(29.0 %)

Overview of Results of Operations for the Three Months Ended June 30, 2022 and March 31, 2022

Consolidated Results of Operations

The operating results for the three months ended June 30, 2022 and March 31, 2022 are as follows:

in thousands, except per share data

	Three Months Ended				\$	%
	June 30, 2022		March 31, 2022			
	\$	% of revenue	\$	% of revenue		
Revenues	\$2,089,804	100.000 %	\$2,109,115	100.000 %	\$ (19,311)	(0.9 %)
Gross profit	67,750	3.242 %	72,083	3.418 %	\$ (4,333)	(6.0 %)
Selling, general, and administrative expenses	(20,734)	(0.992 %)	(20,494)	(0.972 %)	\$ 240	1.2 %
Depreciation and amortization expense	(3,223)	(0.154 %)	(7,548)	(0.358 %)	\$ (4,325)	(57.3 %)
Interest income	5,675	0.272 %	5,343	0.253 %	\$ 332	6.2 %
Interest expense	(5,695)	(0.273 %)	(5,429)	(0.257 %)	\$ 266	4.9 %
Earnings from equity method investments	2,590	0.124 %	1,608	0.076 %	\$ 982	61.1 %
Other income, net	618	0.030 %	493	0.023 %	\$ 125	25.4 %
Unrealized gains (losses) on foreign exchange	30	0.001 %	(135)	(0.006 %)	\$ 165	122.2 %
Net income before provision for income taxes	47,011	2.250 %	45,921	2.177 %	\$ 1,090	2.4 %
Income tax expense	(9,541)	(0.457 %)	(8,375)	(0.397 %)	\$ 1,166	13.9 %
Net income	37,470	1.793 %	37,546	1.780 %	\$ (76)	(0.2 %)
Net income attributable to non-controlling interests	134	0.006 %	164	0.008 %	\$ (30)	(18.3 %)
Net income attributable to the Company	<u>\$ 37,336</u>	1.787 %	<u>\$ 37,382</u>	1.772 %	\$ (46)	(0.1 %)
Basic and diluted net income per share attributable to A-Mark Precious Metals, Inc.:						
Per Share Data:						
Basic	<u>\$ 1.62</u>		<u>\$ 1.64</u>		\$ (0.02)	(1.2 %)
Diluted	<u>\$ 1.52</u>		<u>\$ 1.53</u>		\$ (0.01)	(0.7 %)

Overview of Results of Operations for the Fiscal Years Ended June 30, 2022 and 2021

Consolidated Results of Operations

The operating results for the fiscal years ended June 30, 2022 and 2021 are as follows:

in thousands, except per share data
Years Ended June 30,

	2022		2021		\$	%
	\$	% of revenue	\$	% of revenue		
Revenues	\$8,159,254	100.000 %	\$7,613,015	100.000 %	\$ 546,239	7.2 %
Gross profit	261,765	3.208 %	210,198	2.761 %	\$ 51,567	24.5 %
Selling, general, and administrative expenses	(76,618)	(0.939 %)	(48,020)	(0.631 %)	\$ 28,598	59.6 %
Depreciation and amortization expense	(27,300)	(0.335 %)	(10,789)	(0.142 %)	\$ 16,511	153.0 %
Interest income	21,800	0.267 %	18,474	0.243 %	\$ 3,326	18.0 %
Interest expense	(21,992)	(0.270 %)	(19,865)	(0.261 %)	\$ 2,127	10.7 %
Earnings from equity method investments	6,907	0.085 %	15,547	0.204 %	\$ (8,640)	(55.6 %)
Other income, net	1,953	0.024 %	1,079	0.014 %	\$ 874	81.0 %
Remeasurement gain on pre-existing equity interest	—	—	26,306	0.346 %	\$ (26,306)	(100.0 %)
Unrealized losses on foreign exchange	(98)	(0.001 %)	(129)	(0.002 %)	\$ (31)	(24.0 %)
Net income before provision for income taxes	166,417	2.040 %	192,801	2.533 %	\$ (26,384)	(13.7 %)
Income tax expense	(33,338)	(0.409 %)	(31,877)	(0.419 %)	\$ 1,461	4.6 %
Net income	133,079	1.631 %	160,924	2.114 %	\$ (27,845)	(17.3 %)
Net income attributable to noncontrolling interests	543	0.007 %	1,287	0.017 %	\$ (744)	(57.8 %)
Net income attributable to the Company	<u>\$ 132,536</u>	1.624 %	<u>\$ 159,637</u>	2.097 %	\$ (27,101)	(17.0 %)

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

Per Share Data:

Basic	<u>\$ 5.81</u>	<u>\$ 9.57</u>	\$ (3.76)	(39.3 %)
Diluted	<u>\$ 5.45</u>	<u>\$ 8.90</u>	\$ (3.45)	(38.8 %)

Reconciliation of U.S. GAAP to Non-GAAP Financial and Liquidity Measures for the Three Months Ended June 30, 2022 and 2021

A reconciliation of net income before provision for income taxes to adjusted net income before provision for income taxes for the three months ended June 30, 2022 and 2021 follows:

in thousands

	2022		2021		\$	%
	\$		\$			
Net income before provision for income taxes	\$ 47,011		\$ 64,004		\$ (16,993)	(26.5 %)
Adjustments:						
Acquisition costs	394		—		\$ 394	(— %)
Amortization of acquired intangibles	2,736		7,882		\$ (5,146)	(65.3 %)
Depreciation expense	487		412		\$ 75	18.2 %
Adjusted net income before provision for income taxes (non-GAAP)	<u>\$ 50,628</u>		<u>\$ 72,298</u>		\$ (21,670)	(30.0 %)

A reconciliation of net income to EBITDA for the three months ended June 30, 2022 and 2021 follows:

in thousands

Three Months Ended June 30,

	2022	2021	\$	%
	\$	\$	Increase/ (decrease)	Increase/ (decrease)
Net income	\$ 37,470	\$ 51,071	\$ (13,601)	(26.6 %)
Adjustments:				
Interest income	(5,675)	(5,234)	\$ 441	8.4 %
Interest expense	5,695	5,200	\$ 495	9.5 %
Amortization of acquired intangibles	2,736	7,882	\$ (5,146)	(65.3 %)
Depreciation expense	487	412	\$ 75	18.2 %
Income tax expense	9,541	12,933	\$ (3,392)	(26.2 %)
	<u>12,784</u>	<u>21,193</u>	\$ (8,409)	(39.7 %)
Earnings before interest, taxes, depreciation, and amortization (non-GAAP)	\$ 50,254	\$ 72,264	\$ (22,010)	(30.5 %)

Reconciliation of U.S. GAAP to Non-GAAP Financial and Liquidity Measures for the Three Months Ended June 30, 2022 and March 31, 2022

A reconciliation of net income before provision for income taxes to adjusted net income before provision for income taxes for the three months ended June 30, 2022 and March 31, 2022 follows:

in thousands

	Three Months Ended		\$	%
	June 30, 2022	March 31, 2022		
	\$	\$	Increase/ (decrease)	Increase/ (decrease)
Net income before provision for income taxes	\$ 47,011	\$ 45,921	\$ 1,090	2.4 %
Adjustments:				
Acquisition costs	394	836	\$ (442)	(52.9 %)
Amortization of acquired intangibles	2,736	7,188	\$ (4,452)	(61.9 %)
Depreciation expense	487	360	\$ 127	35.3 %
Adjusted net income before provision for income taxes (non-GAAP)	\$ 50,628	\$ 54,305	\$ (3,677)	(6.8 %)

A reconciliation of net income to EBITDA for the three months ended June 30, 2022 and March 31, 2022 follows:

in thousands

Three Months Ended June 30,	Three Months Ended		\$	%
	June 30, 2022	March 31, 2022		
	\$	\$	Increase/ (decrease)	Increase/ (decrease)
Net income	\$ 37,470	\$ 37,546	\$ (76)	(0.2 %)
Adjustments:				
Interest income	(5,675)	(5,343)	\$ 332	6.2 %
Interest expense	5,695	5,429	\$ 266	4.9 %
Amortization of acquired intangibles	2,736	7,188	\$ (4,452)	(61.9 %)
Depreciation expense	487	360	\$ 127	35.3 %
Income tax expense	9,541	8,375	\$ 1,166	13.9 %
	<u>12,784</u>	<u>16,009</u>	\$ (3,225)	(20.1 %)
Earnings before interest, taxes, depreciation, and amortization (non-GAAP)	\$ 50,254	\$ 53,555	\$ (3,301)	(6.2 %)

Reconciliation of U.S. GAAP to Non-GAAP Financial and Liquidity Measures for the Full Year Ended June 30, 2022 and 2021

A reconciliation of net income before provision for income taxes to adjusted net income before provision for income taxes for the fiscal years ended June 30, 2022 and 2021 follows:

in thousands

Years Ended June 30,

	2022	2021	\$	%
	\$	\$	Increase/ (decrease)	Increase/ (decrease)
Net income before provision for income taxes	\$ 166,417	\$ 192,801	\$ (26,384)	(13.7 %)
Adjustments:				
Remeasurement gain on pre-existing equity interest	—	(26,306)	\$ (26,306)	(100.0 %)
Acquisition costs	1,283	2,576	\$ (1,293)	(50.2 %)
Amortization of acquired intangibles	25,668	9,342	\$ 16,326	174.8 %
Depreciation expense	1,632	1,447	\$ 185	12.8 %
Adjusted net income before provision for income taxes (non-GAAP)	\$ 195,000	\$ 179,860	\$ 15,140	8.4 %

A reconciliation of net income to EBITDA, and EBITDA to operating cash flows for the fiscal years ended June 30, 2022 and 2021 follows:

in thousands

Years Ended June 30,

	2022	2021	\$	%
	\$	\$	Increase/ (decrease)	Increase/ (decrease)
Net income	\$ 133,079	\$ 160,924	\$ (27,845)	(17.3 %)
Adjustments:				
Interest income	(21,800)	(18,474)	\$ 3,326	18.0 %
Interest expense	21,992	19,865	\$ 2,127	10.7 %
Amortization of acquired intangibles	25,668	9,342	\$ 16,326	174.8 %
Depreciation expense	1,632	1,447	\$ 185	12.8 %
Income tax expense	33,338	31,877	\$ 1,461	4.6 %
	<u>60,830</u>	<u>44,057</u>	\$ 16,773	38.1 %
Earnings before interest, taxes, depreciation, and amortization (non-GAAP)	<u>\$ 193,909</u>	<u>\$ 204,981</u>	\$ (11,072)	(5.4 %)

Reconciliation of EBITDA to Operating Cash Flows:

Earnings before interest, taxes, depreciation, and amortization	\$ 193,909	\$ 204,981	\$ (11,072)	(5.4 %)
Amortization of loan cost	2,651	2,162	\$ 489	22.6 %
Deferred income taxes	(4,106)	(2,034)	\$ 2,072	101.9 %
Interest added to principal of secured loans	(14)	(13)	\$ 1	7.7 %
Share-based compensation	2,140	1,173	\$ 967	82.4 %
Write-down of digital assets	229	—	\$ 229	(— %)
Remeasurement gain on pre-existing equity method investment	—	(26,306)	\$ (26,306)	(100.0 %)
Earnings from equity method investments	(6,907)	(15,547)	\$ (8,640)	(55.6 %)
Dividends received from equity method investees	1,678	343	\$ 1,335	389.2 %
Income tax expense	(33,338)	(31,877)	\$ 1,461	4.6 %
Interest income	21,800	18,474	\$ 3,326	18.0 %
Interest expense	(21,992)	(19,865)	\$ 2,127	10.7 %
Changes in operating working capital	(245,216)	(184,145)	\$ 61,071	33.2 %
Net cash used in operating activities	<u>\$ (89,166)</u>	<u>\$ (52,654)</u>	\$ 36,512	69.3 %

Cash Flow Data:

Net cash used in operating activities	\$ (89,166)	\$ (52,654)	\$ 36,512	69.3 %
Net cash used in investing activities	\$ (60,563)	\$ (130,393)	\$ (69,830)	(53.6 %)
Net cash provided by financing activities	\$ 86,107	\$ 232,127	\$ (146,020)	(62.9 %)



Source: A-Mark Precious Metals