

Royalty Management Holding Corporation Reports Third Quarter 2024 Financial Results

Company reports increase in year-to-date 2024 revenues to \$540,424 and a reduction in total liabilities by over \$1,200,000 from the prior quarterly report.

Company initiates new investments in precious metal refining and greenhouse agriculture spaces in third quarter.

November 18, 2024 | **Source:** Royalty Management Holding Corporation

FISHERS, INDIANA / November 18, 2024 / Royalty Management Holding Corporation (Nasdaq: RMCO) (“Royalty Management” or the “Company”), an innovative royalty company building shareholder value by acquiring and developing high value assets in a variety of resource-driven and emerging technology industries is pleased to announce its operating and financial results for the third quarter ended September 30, 2024.

Thomas Sauve, Chief Executive Officer of the Company, stated, “Third quarter of 2024 reflected our ongoing efforts to work with our current investments and projects to assist in their business progress, execution and ultimately increasing value to our shareholders. We also saw a couple exciting new investments this past quarter in the technology and intellectual property portion of our portfolio that give us exposure to royalties within the indoor agriculture space, specifically, indoor greenhouse technology, and intellectual property surrounding novel methods of separating and purifying elements with the platinum metal group (specially, Platinum, Palladium, Rhodium, Iridium, Osmium, and Ruthenium) and Gold and Silver. Given our strong balance sheet and low corporate overhead, we are focused on continually evaluating new opportunities as well as maximizing value to our shareholders through stock buy backs and dividends in the future.”

Second Quarter 2024 Key Highlights (Unaudited):

- Investment into development of intellectual property and patents for separation and purification of platinum group metals, gold, and silver, which follows the Company’s announced creation of a mineral commodity investment and trading division and provides synergistic and value-added technologies to the Company as it evaluates and structures investments into other royalty-bearing opportunities and projects.
- The Chief Executive Officer of the Company initiated a stock purchase program under Rule 10B5-1 of the Securities and Exchange Commission.
- Company stock buy back is still in place for accretive opportunities.
- Reduction of Total Liabilities of 53% from year-end 2023, and by over 40% from the prior second quarter 2024, to \$1,845,782, with an increase of Total Assets to \$15,394,792, resulting an increase of Stockholders’ Equity from approximately \$11 million as of December 31, 2023 to just over \$13.5 million as of end of third quarter 2024.

- Continued profitability of certain key investments of the Company, including RMC Environmental Services LLC, which provides enough cashflow to the Company to cover all of its expenses.

Select Financial Results for Second Quarter 2024

- For the third quarter (first nine months) of 2024 year-to-date, Royalty Management reported total revenues of \$561,956, as compared with total revenues of \$354,685 for the same period in 2023, equating to a 58.4% increase, period-over-period.
- For the third quarter (first nine months) of 2024 year-to-date, Royalty Management reported a gross profit of \$540,424, as compared with gross profit of \$345,825 for the same period in 2023, a 56.3% increase, period-over-period.
- The Company incurred a net loss of \$82,400 for the year-to-date (Q3) 2024, as compared to a net loss of \$804,302 for the same period last year. This net loss includes a one-time fee incurred in the second and third quarter of 2024 related to the re-auditing of the Company's 2022 and 2023 financials due to the dismissal of BF Borgers as the Company's prior auditor.
- Total assets were \$15,394,792, an increase from total assets of \$13,723,422 from second quarter 2024, while total liabilities were reduced to \$1,845,782 from 3,087,582 as of second quarter 2024. This contributed to an increase in the shareholder equity to \$13,549,792 as of September 30, 2024.

Select Portfolio Holdings

Royalty Management has put together an exciting portfolio of royalty assets which support growing or transitioning industries and to generate near-future royalty and income streams. Some of RMCO's select portfolio holdings include:

ReElement Technologies Corporation – Sponsored research and royalty agreement to develop low cost novel methods of purification of platinum group metals, silver, and gold from recycled and ore feedstocks. RMCO is sponsoring the research in return for a royalty from the use of the developed technologies.

Green House Technology – The Company has invested into intellectual property that is a key constituent to the next level of indoor agriculture and technology. RMCO receives a royalty based on the sales of this technology and products.

RMC Environmental Service LLC – A wholly-owned, environmental service business line of RMCO that supports residential, municipal and commercial development in and around Hamilton County, Indiana. The company typically provides enough revenue and earnings to cover the majority, if not all, of the parent (Royalty Management Holding Corporation) company's expenses.

Ferrox Holdings Ltd. - A majority owner of the Tivani Project; ilmenite, iron, vanadium and phosphate project which is in an advance development stage. It is located in the long-term mining region of the Limpopo Province in South Africa. Ferrox is the holding company for several South African subsidiaries and its focus is on developing mineral resources in Sub Saharan Africa.

TR Mining – A high quality, Jamaica-based diversified mineral project with a focus on iron ore, titanium and vanadium with an initial estimated deposit of 212,925,000 tons of raw feedstock with an estimated 106,462,500 tons of ore body, based on an average of 50% magnetic material. The project is part of a Special Exclusive Prospecting License (or “SEPL”) that covers an area of approximately 25 permitted square kilometers. TR Mining is 51% owned by American Infrastructure Corporation and 49% owned by TR Mining & Equipment Limited, where RMC owns a royalty interest from the sale of produced product from the operation.

Advanced Magnet Lab, Inc. (AML) - AML is a recognized leader in the development of innovative magnet technologies and magnet-based applications. Today, AML is executing on multiple product development programs including magnet materials and PM-Wire™ based motors and generators for industrial, aerospace and defense. This includes projects funded by large industry, U.S. Department of Energy and U.S. Department of Defense. RMC has an ownership interest in AML through its participation in their Series A round of capital raising.

Center for Advancing Sustainable and Distributed Fertilizer Production (CASFER) - CASFER vision is to enable resilient and sustainable food production by developing next generation, modular, distributed, and efficient technology for capturing, recycling, and producing decarbonized nitrogen-based fertilizers (NBFs). CASFER brings together a diverse leadership and the convergence of a multidisciplinary team drawn from Texas Tech University, Florida A&M University, Georgia Institute of Technology, Case Western Reserve University, and Massachusetts Institute of Technology. RMC is a gold member of CASFER providing commercial technology rights into one of the fastest growing markets of fertilizer recycling.

Heart Water, Inc. - Heart Water offers artisan alkaline rainwater with the aim of saving the depleting water resources. Heart Water is a cloud-harvested, nature-purified, and micro-filtered process, this is the purest alkaline water on the planet. The company has a unique process that utilizes ultraviolet light technology, multi-stage purification, and ozone oxidation, ensuring the naturally purest water available. RMC owns an equity stake in Heart Water and will collect a royalty interest from each bottle of water that is sold from the facilities constructed by RMC’s investment.

**ROYALTY MANAGEMENT HOLDING CORPORATION
STATEMENTS OF OPERATIONS (Unaudited)**

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Environmental Services	\$ 119,510	\$ 51,190	\$ 483,630	\$ 103,030
Fee Income	3,623	51,626	10,826	186,655
Rental Income	22,500	20,000	67,500	65,000
TOTAL REVENUE	145,633	122,816	561,956	354,685
Cost of Revenue	(5,460)	(3,420)	(21,532)	(8,860)

GROSS PROFIT	140,173	119,396	540,424	345,825
Intangibles Amortization Expense	(14,211)	(16,846)	(42,634)	(50,539)
Depreciation Expense	(396)	(396)	(1,189)	(1,189)
General and Administrative Expenses	(235,323)	(128,927)	(555,785)	(415,320)
Professional Fees	(53,028)	(40,362)	(230,629)	(89,243)
Total Operating Expenses	(302,958)	(186,531)	(830,237)	(556,291)
NET LOSS FROM OPERATIONS	(162,785)	(67,135)	(289,813)	(210,466)
OTHER INCOME (EXPENSE)				
Investment Income	39,090	29,486	112,314	71,293
Income (Loss) from Investment	1,382	(1,625)	4,074	(4,722)
Gain on Warrant Fair Value Adjustment	37,296	-	219,464	-
Interest Expense	(27,454)	(212,050)	(128,439)	(660,407)
Total Other Income (Expense)	50,314	(184,189)	207,413	(593,836)
NET LOSS	(112,471)	(251,324)	(82,400)	(804,302)
Weighted Average Shares Outstanding, Basic and Diluted	14,932,918	6,891,051	14,932,918	6,891,051
Basic and Diluted Net Income Per Ordinary Share	\$ (0.01)	\$ (0.04)	\$ (0.01)	\$ (0.12)

The footnotes and additional information present in the Form 10Q filed with the Securities and Exchange Commission for this period are integral to the unaudited condensed consolidated financial statements.

ROYALTY MANAGEMENT HOLDING CORPORATION
BALANCE SHEET (Unaudited)

	September 30, 2024	December 31, 2023
ASSETS		
Cash and Cash Equivalents	\$ 145,367	\$ 195,486
Accounts Receivable	132,380	70,323
Prepaid Insurance	23,260	-
Interest Receivable	236,586	124,727
Fee Income Receivable	365,613	309,787
Total Current Assets	903,206	700,322
Investments in Corporations and LLCs	10,234,508	10,230,434
Convertible Notes Receivable	1,430,000	1,400,000
Notes Receivable	285,267	235,267
Intangible Assets, Net	1,987,111	1,904,745
Restricted Cash	186,825	176,800
Tools, Machinery & Equipment, Net	4,228	5,417
Operating Lease Right-Of-Use Assets, Net	363,647	387,138
TOTAL ASSETS	\$ 15,394,792	\$ 15,040,122

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES

Accounts Payable – Related Party	\$ 381,243	\$ 381,243
Accounts Payable	101,991	96,071
Current Portion of Operating Lease Liabilities	32,769	26,527
Current Portion of Notes Payable	252,000	20,000
Deferred Income	17,645	17,643
Accrued Expenses	331,128	818,645
Total Current Liabilities	1,116,776	1,360,129
Notes Payable – Related Party, Net	-	1,681,755
Operating Lease Liabilities	333,850	359,738
Notes Payable, Net of Current Portion	-	250,000
Due to American Resources	340,000	-
Fair Value Liability of Public Warrants	55,156	157,584
Fair Value Liability of Private Warrants	-	117,036
TOTAL LIABILITIES	1,845,782	3,926,241

COMMITMENTS AND CONTINGENCIES (Note 15)

STOCKHOLDERS' EQUITY

Preferred Stock: \$0.0001 par value; 5,000,000 shares authorized, 0 shares issued and outstanding as of both September 30, 2024 and December 31, 2023	-	-
Preferred Stock: \$1.00 par value; 5,000,000 shares authorized, 1,506,219 and 0 shares issued and outstanding as of both September 30, 2024 and December 31, 2023	1,506,219	-
Common Stock: \$0.0001 par value; 100,000,000 shares authorized, 14,932,918 and 14,270,761 shares issued and outstanding as of both September 30, 2024 and December 31, 2023, respectively	1,493	1,427
Additional Paid-In Capital	10,777,850	9,766,604
Retained Earnings	1,263,448	1,345,849
Total Stockholders' Equity	13,549,010	11,113,880
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 15,394,792	\$ 15,040,122

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ROYALTY MANAGEMENT HOLDING CORPORATION STATEMENTS OF CASH FLOWS (Unaudited)

	For the nine months ending September 30, 2024	For the nine months ending September 30, 2023
Cash flows from Operating Activities:		
Net Loss	\$ (82,400)	\$ (804,303)
Adjustments to Reconcile Net Loss to Net Cash Provided by (Used in) Operations		
Amortization of Debt Discount	-	61,073
Amortization Expense of Right-of-Use Assets	3,845	(1,740)
Amortization of Intangibles	42,634	50,539
Depreciation Expense	1,189	1,189
Issuance of Common Shares for Service	-	35,770
Issuance of Preferred Shares for Purchase of Debt	1,506,219	-
Fair Value Adjustment of Public Warrants	(102,428)	-
Fair Value Adjustment of Private Warrants	(117,036)	-
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(62,058)	18,110
Prepaid Insurance	(23,261)	-
Interest Receivable	(111,859)	(69,153)
Fee Income Receivable	(55,826)	(231,655)
Accounts Payable	5,921	-
Accrued Expenses	(487,518)	479,482
Due to American Resources	340,000	-
Net Cash Provided by (Used in) Operating Activities	857,422	(460,688)
Cash Flows from Investing Activities		
Investments in Corporations and LLCs	-	4,722
Withdrawal from Corporations and LLCs	(4,074)	-
Investments in Convertible Notes Receivable	(30,000)	(550,000)
Investments in Notes Receivable	(50,000)	-
Investments in Intangible Assets	(125,000)	-
Net Cash Used in Investing Activities	(209,074)	(545,278)
Cash Flows from Financing Activities:		
Shares Buyback	(28,687)	-
Proceeds from Notes Payable	-	659,617
Payments on Notes Payable	(659,755)	(16,000)
Net Cash (Used in) Provided by Financing Activities	(688,442)	643,617
Net Change in Cash	(40,094)	(362,349)
Cash – Beginning of Period	372,286	610,143
Cash – End of Period	\$ 332,192	\$ 247,794
Supplemental Information		
Acquisition of Right of Use Assets for Lease Obligations	-	305,380
Shares Issued in Purchase of Debt	1,040,000	-

Cash Paid for Interest	-	-
Cash Paid for Taxes	-	-

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About Royalty Management Holding Corporation

Royalty Management Holding Corporation (NASDAQ: RMCO) is a royalty company building shareholder value to benefit both its shareholders and communities by acquiring and developing high value assets in sustainable market environments. The business model focuses on acquiring and structuring cashflow and revenue streams around assets that can support the communities by monetizing the current existing cash flow streams while identifying transitional cash flow from the assets for the future. For more information visit www.royaltymgmtcorp.com.

Forward-Looking Statements

This press release contains statements that constitute “forward-looking statements,” including with respect to the initial public offering. No assurance can be given that the offering discussed above will be completed on the terms described, or at all. Forward-looking statements are subject to numerous conditions, many of which are beyond the control of the Company, including those that will be set forth in the “Risk Factors” section of the Company’s registration statement and proxy statement/prospectus to be filed with the SEC. Copies will be available on the SEC’s website, www.sec.gov. The information contained in this release is as of the date first set forth above. The Company undertakes no obligation to update these statements for revisions or changes after the date of this release, except as required by law.

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SOURCE: Royalty Management Holding Corporation