



PRESS RELEASE

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5N Plus to Acquire AZUR SPACE

Foundation of a strategic transformation enabling synergies and access to larger markets

All amounts are expressed in euros.

Montreal, Québec, March 30, 2021 – 5N Plus Inc. ([TSX:VNP](https://www.tsx.com/stocks/5N)) (“5N Plus” or the “Company”), a leading global producer of specialty semiconductors and performance materials, today announced that it has entered into an agreement with **AZUR SPACE Solar Power GmbH** (“AZUR”) pursuant to which 5N Plus would acquire all of the issued and outstanding shares of AZUR (the “Transaction”). The Transaction is subject to the customary closing conditions, including regulatory approvals. 5N Plus will fully integrate AZUR’s workforce and will appoint Mr. Jürgen Heizmann, Managing Director of AZUR, as a member of 5N Plus’s Executive Committee.

Located in Heilbronn, Germany with a workforce of 240 employees, AZUR is a global leader in developing and manufacturing multi-junction solar cells for space and terrestrial concentrated photovoltaic (“PV”) applications. 5N Plus is headquartered in Montreal and operates R&D, manufacturing and commercial centers in several locations in North America, Asia and Europe, including three in Germany and one in Belgium. The Company is a leading supplier to the thin-film PV renewable energy industry and a notable supplier within the U.S. satellite supply chain. The integration of AZUR will not only expand the Company’s position within renewable energy, but, through Canada’s membership in the European Space Agency (ESA), will also establish 5N Plus as a reliable and competitive supplier to the European and U.S. space programs.

“This acquisition is the foundation of a strategic transformation that will unlock notable market potential,” said Arjang Roshan, President and Chief Executive Officer of 5N Plus. “AZUR and 5N Plus complement each other, and our integration will culminate in a sustainable supply chain which will ensure the competitiveness and security of supply for our customers and government agencies. Moreover, the combined value chain will serve as a gateway to new businesses with significantly larger total addressable market. We deem AZUR’s activities in Heilbronn, Germany, along with those of 5N Plus in St. George, Utah, and Montreal, Québec, as essential to this plan. We are eager to welcome our new colleagues and collaboratively embark on this new journey.”

Terms of the Transaction

5N Plus will acquire all of the issued and outstanding shares of AZUR for an expected total purchase price between 73-79 million euros subject to prevailing closing adjustments. This includes 6.5 million shares of 5N Plus, subject to the TSX approval, to be issued from treasury at closing and cash payment. The sum of these two items will be approximately 53 million euros, subject to the volume-weighted average closing share price of 5N Plus prior to closing. Furthermore, 5N Plus expects to finance working capital in the range of 20 to 26 million euros with provision not to exceed 27 million euros. The cash portion of the Transaction is expected to be funded through a senior debt facility.

AZUR's most recent annual revenue was in excess of 50 million euros with average three-year annual EBITDA¹ of about 6 million euros. Notwithstanding the realization of expected cost and revenue synergies, and without consideration of integration expenses and transaction costs, management estimates that the EV/Adjusted EBITDA¹ multiple for the Transaction to be well aligned with 5N Plus. Post Transaction, pro forma net debt¹ to Adjusted EBITDA is expected to be in the range of 2.8 times multiple with a projected target of about 2.2 times multiple within 18 to 24 months post-closing.

In connection with the Transaction, 5N Plus has received Canadian legal advice from Dentons and German legal advice from Luther.

About 5N Plus Inc.

5N Plus is a leading global producer of specialty semiconductors and performance materials. The Company's ultra-pure materials often form the core element of its customer products. These customers rely on 5N Plus' products to enable performance and sustainability in their own products. 5N Plus deploys a range of proprietary and proven technologies to develop and manufacture its products. The Company's products enable various applications in a number of key industries including renewable energy, security, space, pharmaceutical, medical imaging, and industrial and additive manufacturing. Headquartered in Montreal, Québec, 5N Plus operates R&D, manufacturing and commercial centers in strategically located facilities around the world including Europe, North America and Asia. The Company's mission is to be critical to its customers, valued by its employees and trusted by its shareholders. The Company's core values focus on integrity, commitment and customer development along with emphasis on sustainable development, continuous improvement, health and safety. www.5nplus.com.

Forward-Looking Statements and Disclaimer

Certain statements in this press release may be forward-looking within the meaning of applicable securities laws. Forward-looking information and statements are based on the best estimates available to the Company at the time and involve known and unknown risks, uncertainties or other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. A description of the risks affecting the Company's business and activities appears under the heading "Risk and Uncertainties" of the 5N Plus 2020 MD&A dated February 23, 2021, available on www.sedar.com.

Forward-looking statements can generally be identified by the use of terms such as "may", "should", "would", "believe", "expect", the negative of these terms, variations of them or any similar terms. No assurance can be given that any events anticipated by the forward-looking information in this press release will transpire or occur, or if any of them do so, what benefits that 5N Plus will derive therefrom. In particular, no assurance can be given as to the future financial performance of 5N Plus. The forward-looking information contained in this press release is made as of the date hereof and the Company has no obligation to publicly update such forward-looking information to reflect new information, subsequent or otherwise, unless required by applicable securities laws. The reader is warned against placing undue reliance on these forward-looking statements.

Non-IFRS Measures

EBITDA means net earnings (loss) before interest expenses, income taxes, depreciation and amortization. We use EBITDA because we believe it is a meaningful measure of the operating performance of our ongoing business without the effects of certain expenses. The definition of this non-IFRS measure used by the Company may differ from that used by other companies. EBITDA margin is defined as EBITDA divided by revenues.

Adjusted EBITDA means EBITDA as defined above before impairment of inventories, share-based compensation expense, impairment of non-current assets, litigation and restructuring costs (income), gain on disposal of property, plant and equipment, foreign exchange and derivatives loss (gain). We use adjusted EBITDA because we believe it is a meaningful measure of the operating performance of our ongoing business without the effects of certain expenses. The definition of this non-IFRS measure used by the Company may differ from that used by other companies. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenues.

¹ See Non-IFRS Measures

Net debt is calculated as total debt less cash and cash equivalents. Any introduced IFRS 16 reporting measures in reference to lease liabilities are excluded from the calculation. We use this measure as an indicator of our overall financial position.

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