



PRESS RELEASE

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All amounts expressed in U.S. dollars.

5N Plus Invests \$8.5M in Montreal Campus to Support Demand for II-VI Specialty Semiconductor Materials

Investment deploys new process technologies and supply chain optimization to lower unit cost of production, reduce carbon footprint and improve access to essential materials

Montreal, Quebec, June 2, 2021 – 5N Plus Inc. (“5N Plus” or the “Company”) (TSX: VNP), a leading global producer of specialty semiconductors and performance materials, today announced that it is investing \$8.5 million in its Montreal campus (“5N Plus Montreal”) to expand the development and manufacturing of critical and strategic materials, including those containing tellurium, for advanced II-VI semiconductor compounds and engineered powders. The investment is supported by and has received funding from the Ministère de l’Économie et de l’Innovation (Ministry of Economy and Innovation) and the Ministère de l’Énergie et des Ressources Naturelles (Ministry of Energy and Natural Resources) within the province of Quebec, accounting for approximately a third of the investment.

Alignment between investment and strategy

For over 20 years, 5N Plus has developed ultra-high purity compounds based on the family of II-VI specialty semiconductor materials at 5N Plus Montreal. With this investment, 5N Plus will expand the capacity of its Montreal campus to address the growing demand of II-VI semiconductor compounds and powders, including those essential for the renewable energy market. The investment in process technology and supply chain optimization will reduce unit cost of production and the overall carbon footprint of the activity. The investment package is expected to be completed by the autumn of 2022. The Company has indicated that it will be investing near the rate of depreciation over fiscal years 2021 and 2022. This investment package is included in this assumption.

“Today’s announcement is an exciting glimpse into the compelling future of our business. Following the project’s completion, 5N Plus will have the capacity to competitively produce over half of the world’s high purity tellurium-bearing II-VI semiconductor compounds, which are essential elements for several critical industries including renewable energy,” said Arjang Roshan, President and Chief Executive Officer of 5N Plus. “We would like to thank the Ministère de l’Économie et de l’Innovation and the Ministère de l’Énergie et des Ressources Naturelles for their support on this important project.”

As a leading global supplier of critical materials for specialty semiconductor devices, the Company continues to accelerate its semiconductor activities across its sites in Montreal and St. George, Utah, and recently expanded its II-VI value-chain to include engineered substrates that are essential for opto-electronic applications. This effort has subsequently yielded products that facilitate unrivalled performance in customer devices used for imaging and sensing applications.

Strategic alignment with AZUR acquisition

While the Company has organically expanded its II-VI semiconductor value-chain, its III-V semiconductor value-chain has required a combination of organic growth initiatives and strategic investments. The recent announcement of the Company’s [intent to acquire](#) AZUR SPACE Solar Power GmbH (“AZUR”) is a significant development supporting its strategic transformation. Given AZUR’s established business within III-V semiconductor materials, the acquisition, along with 5N Plus’s complimentary activities in this space, will expand the combined companies’ value-chain and serve as a substantial catalyst for growth. The synergies of AZUR and

5N Plus will further result in a higher total addressable market beyond the expanded space market, allowing the Company to enter markets such as energy efficiency, electrification, advanced communication and wireless charging.

“The continued investment in our II-VI and III-V family of specialty semiconductor materials reflects 5N Plus’s aim to be the leading global supplier of these critical materials to the growing markets of the future,” said Mr. Roshan. “We are taking a transformational step in building a unique value-chain that will be a long-term, competitive advantage for our company.”

Investment in sustainability and reliability backed by sound financial rationale

The new process technologies facilitated by the \$8.5 million investment will enable 5N Plus to consolidate and onshore a sizeable portion of its supply chain related to its family of II-VI materials at 5N Plus Montreal, which is powered by hydroelectricity. The totality of this shift will decrease the Company’s carbon footprint per unit of production for II-VI specialty semiconductor materials. Further, these new process technologies will reduce chemical reagent consumption along with processed water and solid by-product generation, contributing to the overall cost reduction per unit of production. With this investment, 5N Plus will also enhance its oversight of the tellurium supply chain and ensure competitive and reliable access to critical products for its customers.

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's 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, Quebec, 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.

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