



PRESS RELEASE

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5N Plus Completes Acquisition of AZUR SPACE

Acquisition uniquely positions the Company as a supplier of critical specialty semiconductor products

All amounts are expressed in Euros

Montreal, Québec, November 8, 2021 – 5N Plus Inc. (TSX:VNP) (“5N Plus” or the “Company”), a leading global producer of specialty semiconductors and performance materials, today announced that it has acquired all of the issued and outstanding shares (the “Transaction”) of **AZUR SPACE Solar Power GmbH** (“AZUR”).

“AZUR’s acquisition is the linchpin of our strategic transformation toward critical material technology, and we are thrilled to close this significant deal,” said Arjang Roshan, President and Chief Executive Officer of 5N Plus. “Our combined pool of talent and AZUR’s cutting-edge space technology are key enablers for our entry into the larger markets within the field of specialty semiconductor substrates.”

Considering the strategic importance of AZUR and its advanced technologies, the relevant regulatory authorities conducted an exhaustive review to vet 5N Plus as an appropriate acquirer. This acquisition is the cornerstone of the Company’s transition to advanced materials based on cutting edge technology. In alignment with the Company’s growth strategy, this Transaction will enable 5N Plus to expand its product portfolio within specialty semiconductors and uniquely position the Company to benefit from potential growth linked to several critical industries that rely on advanced compound semiconductors in the future.

Located in Heilbronn, Germany, AZUR is the global leader in the development and manufacturing of multi-junction solar cells based on III-V compound semiconductor materials. AZUR has a proven track record of success supported by nearly 120 patent families. The integration of AZUR into 5N Plus creates a global enterprise with comprehensive competencies across the specialty semiconductor value-chain that rivals global competitors, fuels innovation and grants entry to larger markets with significant growth opportunities.

Transaction Details and Rationale

5N Plus acquired all the issued and outstanding shares of AZUR for a total purchase price of 74.6 million euros, subject to post-closing adjustments, in exchange for 6.5 million shares of 5N Plus, to be issued from the treasury estimated at 13.1 million euros, based on the volume weighted average trading price for the seven trading days preceding the closing, along with a cash payment of 37.7 million euros. Furthermore, 5N Plus will finance working capital of 23.8 million euros. The cash portion and the working capital of the Transaction is funded through the Company’s liquidity and senior debt facility.

Acquisition of a market leader with compelling attributes:

- Highly skilled and experienced workforce
- Strong portfolio of intellectual property with nearly 120 patent families
- Incremental sales revenue in excess of 50 million euros
- Well-established portfolio of business providing 5 million to 7 million euros EBITDA¹ per year
- Strong backlog¹
- Solid financial support from several agencies which confirms its strategic importance

¹ See Non-IFRS Measures

Combination of 5N Plus and AZUR forms a one-of-a-kind ecosystem that will enable:

- Fully integrated suite of compound semiconductor products (family of IV, III-VI & II-VI materials) from procurement of critical materials to finished epitaxy engineered substrates
- Entry and access to new markets with higher total addressable market such as high-power electronics, electric mobility, wireless charging and advanced communications
- Closed-loop management of critical materials including much of its own in-process by-products and those of its customers—enhancing sustainability and competitiveness of the business model
- Unlocking tangible synergies, resulting in more value capture from the space and security markets

Integrated Company will be more diversified with improved product mix and will:

- Attain 5N Plus’s strategic aim to expand its total addressable market
- Further reduce reliance on a single customer
- Further reduce the exposure to metal price notations
- Confirm M&A focus on the specialty semiconductors
- Clearly establish 5N Plus’s importance within the critical material space and its strategic position as perceived by various agencies and governmental bodies

Bolsters the Company’s financial profile to accelerate its growth through:

- Tangible accretion
- Increased Adjusted EBITDA¹
- Access to the European market and investment community
- Financial flexibility

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 customers’ 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, 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. An update under the heading “Risk and Uncertainties” is also provided in the MD&A dated November 2, 2021.

¹ See Non-IFRS Measures

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

Backlog represents the expected orders we have received but have not yet executed and that are expected to translate into sales within the next twelve months expressed in number of days. Bookings represent orders received during the period considered, expressed in days, and are calculated by adding revenues to the increase or decrease in backlog for the period considered divided by annualized year revenues. We use backlog to provide an indication of expected future revenues in days, and bookings to determine its ability to sustain and increase its revenues.

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.

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