2 Management Report

QUARTER ENDED
JUNE 30, 2026

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations is intended to assist readers in understanding 5N Plus Inc. (the "Company" or "5N+"), its business environment, strategies, performance and risk factors. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements of Q2 2026 and the audited consolidated financial statements and the accompanying notes for the year ended December 31, 2025, based on International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "IFRS"), unless otherwise stated. This MD&A has been prepared in accordance with the requirements of the Canadian Securities Administrators.

All amounts in this MD&A are expressed in U.S. dollars, and all amounts in the tables are in thousands of U.S. dollars, unless otherwise indicated.

Information contained herein includes any significant developments until August 3, 2026, the date on which the MD&A was approved by the Company's Board of Directors. Unless otherwise indicated, the terms "we", "us", "our" and "the group" as used herein refer to the Company together with its subsidiaries. "Q2 2026" and "Q2 2025" refer to the three-month periods ended June 30, 2026, and June 30, 2025, respectively; "YTD 2026" and "YTD 2025" refer to the six-month periods ended June 30, 2026, and June 30, 2025, respectively.

Non-IFRS Measures

This MD&A contains certain non-IFRS financial measures, non-IFRS ratios, capital management measures and supplementary financial measures, which do not have a standard meaning under IFRS Accounting Standards and, therefore, may not be comparable to similar measures presented by other issuers. Such non-IFRS measures and ratios include Backlog, Bookings, EBITDA, EBITDA margin, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted operating expenses, Adjusted net earnings (loss), Basic adjusted earnings (loss) per share, Adjusted gross margin, Adjusted gross margin percentage, Total debt, Net debt, Net debt to EBITDA ratio, Working capital and Working capital ratio.

For definitions, further information and reconciliation of these measures to the most directly comparable measures under IFRS Accounting Standards, see the "Non-IFRS Measures" section.

Notice Regarding Forward-Looking Statements

Certain statements in this MD&A may be forward-looking within the meaning of applicable securities laws. Such forward-looking statements are based on a number of estimates and assumptions that the Company believes are reasonable when made, including that 5N+ will be able to retain and hire key personnel and maintain relationships with customers, suppliers and other business partners, that 5N+ will continue to operate its business in the normal course, that 5N+ will be able to implement its growth strategy, that 5N+ will be able to successfully complete the realization of its backlog in a timely manner, that 5N+ will not suffer any supply chain challenges or any material disruption in the supply of raw materials on competitive terms, that 5N+ will be able to generate new sales, produce, deliver, and sell its expected product volumes at the expected prices and control its costs, as well as other factors believed to be appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict and 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 5N+'s 2025 MD&A dated February 24, 2026 available on SEDAR+ at www.sedarplus.ca.

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 statements in this MD&A will transpire or occur, or if any of them do so, what benefits that 5N+ will derive therefrom. In particular, no assurance can be given as to the future financial performance of 5N+.

The forward-looking statements contained in this MD&A 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. Forward-looking statements are presented in this MD&A for the purpose of assisting investors and others in understanding certain key elements of the Company's expected financial results, as well as the Company's objectives, strategic priorities and outlook, and in obtaining a better understanding of the Company's anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

Overview

5N+ 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+'s products to enable performance and sustainability in their own products. 5N+ deploys a range of proprietary and proven technologies to develop and manufacture its products. The Company's products enable various applications in several key industries, including renewable energy, security, space, pharmaceutical, medical imaging and industrial. Headquartered in Montréal, Quebec, 5N+ operates R&D, manufacturing and commercial centers in strategically located facilities around the world including Europe, North America and Asia.

Vision, Mission and Values

The Company's vision is to enable critical industries through essential products based on advanced material technology and 5N+'s aim is to propel the growth of these markets by developing and manufacturing advanced materials to enable product performance.

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 are integrity, commitment and customer development, with an emphasis on sustainable development, continuous improvement, and health and safety.

Reporting Segments

The Company has the following two reportable segments: Specialty Semiconductors and Performance Materials. Corresponding operations and activities are managed accordingly by the Company's key decision makers. Segmented operating and financial information and labelled key performance indicators are available and used to manage these business segments, review performance and allocate resources. Financial performance of any given segment is evaluated primarily in terms of revenue and Adjusted EBITDA[1], which are reconciled to consolidated numbers considering corporate income and expenses.

Operating in North America and Europe, the Specialty Semiconductors segment manufactures and sells products used in several applications, such as renewable energy, space satellites and imaging. Typical end markets include photovoltaics (terrestrial and space-related solar energy), medical imaging, infrared imaging, optoelectronics and advanced electronics. These products are sold as semiconductor compounds, semiconductor wafers, ultra-high-purity metals, epitaxial semiconductor substrates, space solar cells and assemblies. Revenue and earnings associated with recycling services and activities provided to Specialty Semiconductors customers are captured in this segment.

The Performance Materials segment operates in North America, Europe and Asia and manufactures and sells products that are used in several applications in pharmaceutical and healthcare, and industrial. Main products are sold as active pharmaceutical ingredients, specialized chemicals, commercial grade metals, alloys and engineered powders. All commercial grade metal and engineered powder sales are under Performance Materials. Revenue and earnings associated with recycling services and activities provided to Performance Materials customers are captured in this segment.

Corporate expenses associated with the head office and unallocated selling, general and administrative expenses ("SG&A"), together with financial expenses (income), are grouped under "Corporate".

[1] These measures are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. See Non-IFRS Measures for more information.

Q2 2026 Highlights – Strong First-Half Performance Supports Full-Year Objectives

5N+ delivered another quarter of strong revenue and Adjusted EBITDA, supported by sustained demand in Specialty Semiconductors and higher bismuth-based product volumes in Performance Materials. The Company achieved these solid second-quarter results, despite anticipated margin pressures in Performance Materials and temporary reduced operational efficiencies in Specialty Semiconductors. This highlights the resilience and flexibility of 5N+'s operating platform, while reinforcing confidence in its ability to achieve its full-year objectives in a dynamic cost and operating environment.

All amounts are expressed in U.S. dollars.

Revenue in Q2 2026 reached $122.4 million, representing a 28% year-over-year increase. Adjusted gross margin[1] increased by 12% to $37.0 million, while Adjusted EBITDA reached $26.6 million, representing a 10% year-over-year increase. Revenue growth was driven by higher volumes in both segments. Adjusted gross margin as a percentage of sales[1] was 30.3%, compared to 34.6% in Q2 2025, as a result of anticipated normalization from higher metal input and chemical costs, and the impact of unplanned equipment maintenance under Specialty Semiconductors.

For the first six months of 2026, revenue reached $240.3 million, representing a 30% increase compared to the same period in 2025. Adjusted gross margin increased by 24% to $78.4 million, and Adjusted EBITDA increased by 24% to $55.8 million. This strong first-half performance supports the Company's full-year objectives despite increased input costs and reduced operating efficiencies recorded in Q2 2026.

Specialty Semiconductors revenue reached $89.2 million in Q2 2026, representing a 25% increase compared to Q2 2025, primarily driven by higher volumes in terrestrial renewable energy and a more favourable product mix in space solar power. Adjusted gross margin as a percentage of sales was 30.2%, compared to 32.7% in Q2 2025, reflecting higher metal input costs and unplanned equipment maintenance. The Company's operational flexibility and inventory position enabled it to meet customer commitments. Adjusted EBITDA under Specialty Semiconductors increased by 16% year-over-year to $22.1 million, as higher volumes mitigated cost increases and reduced operational efficiencies. Backlog[1] remained at the maximum reportable level of 365 days of annualized revenue, supported by contracted volumes extending beyond the next twelve months.

Performance Materials revenue reached $33.2 million in Q2 2026, representing a 38% increase year-over-year, primarily driven by higher volumes of bismuth-based products, compared to Q2 2025. As anticipated, Adjusted gross margin as a percentage of sales normalized to 30.9%, compared to 41.1% in Q2 2025, due to higher metal input and chemical costs. Adjusted EBITDA increased by 7% year-over-year to $8.5 million on a more favourable volume net of higher metal input costs. Segment backlog represented 99 days of annualized revenue, reflecting the timing of contract signings and renewals.

Net debt[1] stood at $23.7 million as at June 30, 2026, compared to $50.3 million as at December 31, 2025. The Company maintained a strong financial position, with a net-debt-to-EBITDA ratio[1] of 0.21x.

Financial Highlights

- Revenue in Q2 2026 increased by 28% to $122.4 million, compared to $95.3 million in Q2 2025, primarily reflecting higher volumes in Specialty Semiconductors and Performance Materials.

- Adjusted EBITDA in Q2 2026 increased by 10% to $26.6 million, compared to $24.1 million in Q2 2025, driven by higher volumes under both segments.

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- Adjusted gross margin in Q2 2026 increased by 12% to $37.0 million, compared to Q2 2025. Adjusted gross margin as a percentage of sales was 30.3% in Q2 2026, compared to 34.6% in Q2 2025, as higher metal input and chemical costs diluted the favourable impact of higher volumes.

- Net earnings were $19.7 million in Q2 2026, compared to $15.2 million in Q2 2025.

- Backlog stood at $420.0 million, representing 313 days of annualized revenue as at June 30, 2026, 23 days lower than in the previous quarter and 16 days higher than as at June 30, 2025.

- Net debt was $23.7 million as at June 30, 2026, compared to $50.3 million as at December 31, 2025, while the Company’s net-debt-to-EBITDA ratio stood at 0.21x as at June 30, 2026.

Outlook

The Company continues to benefit from favourable long-term fundamentals and structural expansion across its key end markets in Specialty Semiconductors and from the resilience of its Performance Materials segment.

As the geopolitical and economic backdrop continues to evolve, the Company expects its operating environment to remain complex and for input and operating costs to increase, as reflected in Q2 2026 results, including a normalization in margin conditions for Performance Materials. To help mitigate these impacts, the Company remains focused on the disciplined execution of its productivity initiatives and capacity expansion plans to increase operational efficiency and gain economies of scale.

Based on its strong first-half performance, and anticipated and contracted demand through the second half of the year, the Company is reaffirming its full-year 2026 Adjusted EBITDA guidance of $100 million to $105 million.

Supported by its competitive market positioning and expertise, including its Western manufacturing base and focus on value-added products, strong customer relationships and commercial discipline, 5N+ remains well positioned to continue executing its long-term growth strategy as a critical supplier to critical industries.

Summary of Results

(in thousands of U.S. dollars, except per share amounts)	Q2 2026	Q2 2025	YTD 2026	YTD 2025
	$	$	$	$
Revenue	**122,358**	95,311	**240,251**	184,199
Adjusted operating expenses[1]	**(95,791)**	(71,165)	**(184,465)**	(139,261)
Adjusted EBITDA	**26,567**	24,146	**55,786**	44,938
Share-based compensation recovery (expense)	**6,034**	807	**9,704**	(586)
ERP implementation costs	**(217)**	(156)	**(406)**	(316)
Loss on remeasurement of financial instrument	**-**	(1,000)	**-**	(1,000)
Foreign exchange gain (loss)	**472**	97	**(247)**	811
EBITDA[1]	**32,856**	23,894	**64,837**	43,847
Interest on long-term debt, imputed interest and other interest expense	**2,208**	2,353	**4,322**	5,070
Depreciation and amortization	**4,496**	4,324	**8,904**	8,452
Earnings before income taxes	**26,152**	17,217	**51,611**	30,325
Income tax expense (recovery)				
Current	**12,098**	4,706	**18,317**	8,077
Deferred	**(5,617)**	(2,716)	**(4,139)**	(2,552)
	6,481	1,990	**14,178**	5,525
Net earnings	**19,671**	15,227	**37,433**	24,800
Basic earnings per share	**$0.22**	$0.17	**$0.42**	$0.28
Diluted earnings per share	**$0.22**	$0.17	**$0.41**	$0.28

Revenue by Segment and Adjusted Gross Margin

(in thousands of U.S. dollars)	Q2 2026	Q2 2025	Change	YTD 2026	YTD 2025	Change
	$	$		$	$	
Specialty Semiconductors	**89,192**	71,213	25%	**175,417**	134,017	31%
Performance Materials	**33,166**	24,098	38%	**64,834**	50,182	29%
Total revenue	**122,358**	95,311	28%	**240,251**	184,199	30%
Cost of sales	**(89,032)**	(65,888)	35%	**(169,147)**	(127,780)	32%
Depreciation included in cost of sales	**3,711**	3,551	5%	**7,334**	6,954	5%
Adjusted gross margin	**37,037**	32,974	12%	**78,438**	63,373	24%
Adjusted gross margin percentage	**30.3%**	34.6%		**32.6%**	34.4%	

Revenue in Q2 2026 increased by 28%, reaching $122.4 million, compared to $95.3 million for the same period last year. Revenue in YTD 2026 was $240.3 million, compared to $184.2 million in YTD 2025. The increases primarily reflect higher terrestrial renewable energy sector volumes and a more favourable space solar power sector product mix in Specialty Semiconductors, in addition to higher volumes for Performance Materials bismuth-based products.

Adjusted gross margin increased by 12% to reach $37.0 million in Q2 2026, compared to $33.0 million in Q2 2025, with higher Specialty Semiconductors and Performance Materials volumes offsetting anticipated margin normalization under Performance Materials due to higher metal input and chemical costs. Adjusted gross margin as a percentage of sales was 30.3% in Q2 2026, compared to 34.6% in Q2 2025. This decrease primarily reflects higher metal input costs across both segments, unplanned equipment maintenance impacting operational efficiency in Specialty Semiconductors, and higher chemical costs in Performance Materials. Adjusted gross margin as a percentage of sales was 32.6% in YTD 2026, compared to 34.4% in YTD 2025.

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Specialty Semiconductors
Revenue in Q2 2026 was $89.2 million, compared to $71.2 million in Q2 2025. In YTD 2026, revenue was $175.4 million, compared to $134.0 million in YTD 2025, supported by higher volumes in the terrestrial renewable energy sector. Adjusted gross margin as a percentage of sales was 30.2% in Q2 2026, compared to 32.7% in Q2 2025, impacted by higher metal input costs, as well as lower operational efficiency and higher maintenance expenses due to unplanned equipment maintenance. Adjusted gross margin as a percentage of sales was 32.3% in YTD 2026, compared to 33.8% in YTD 2025.

Performance Materials
Revenue in Q2 2026 reached $33.2 million, compared to $24.1 million in Q2 2025. In YTD 2026, revenue was $64.8 million, compared to $50.2 million in YTD 2025. Adjusted gross margin as a percentage of sales was 30.9% in Q2 2026, compared to 41.1% in Q2 2025, reflecting anticipated margin normalization in Performance Materials due to higher metal input and chemical costs. Adjusted gross margin as a percentage of sales was 34.3% in YTD 2026, compared to 36.8% in YTD 2025.

Operating Earnings, EBITDA and Adjusted EBITDA

(in thousands of U.S. dollars)	**Q2 2026**	Q2 2025	Change	**YTD 2026**	YTD 2025	Change
	$	$		**$**	$	
Specialty Semiconductors	**22,054**	18,985	16%	**47,105**	36,675	28%
Performance Materials	**8,549**	8,027	7%	**18,691**	14,105	33%
Corporate	**(4,036)**	(2,866)	41%	**(10,010)**	(5,842)	71%
Adjusted EBITDA	**26,567**	24,146	10%	**55,786**	44,938	24%
EBITDA	**32,856**	23,894	38%	**64,837**	43,847	48%
Operating earnings	**27,888**	19,473	43%	**56,180**	34,584	62%

Adjusted EBITDA in Q2 2026 increased by 10% to $26.6 million, representing an Adjusted EBITDA margin[1] of 21.7%, compared to $24.1 million, or an Adjusted EBITDA margin of 25.3%, in Q2 2025. Adjusted EBITDA was $55.8 million in YTD 2026, a 24% increase, compared to $44.9 million in YTD 2025.

In Q2 2026, EBITDA reached $32.9 million, compared to $23.9 million in Q2 2025. The increase of $9.0 million is mainly explained by an increase in share-based compensation recovery and Adjusted EBITDA. The items reconciling Adjusted EBITDA to EBITDA are share-based compensation (recovery) expense, ERP implementation costs and foreign exchange (gain) loss. For more information, see the “Expenses” section.

In Q2 2026, operating earnings amounted to $27.9 million, compared to operating earnings of $19.5 million in Q2 2025, impacted by the same factors as mentioned above. In YTD 2026, operating earnings amounted to $56.2 million, compared to $34.6 million in YTD 2025.

Specialty Semiconductors
Adjusted EBITDA in Q2 2026 increased by $3.1 million, or 16%, to reach $22.1 million, representing an Adjusted EBITDA margin of 24.7%, compared to 26.7% in Q2 2025, with higher volumes mitigating the impact of lower operational efficiency and higher maintenance expenses due to unplanned equipment maintenance. Adjusted EBITDA in YTD 2026 increased by $10.4 million to $47.1 million, representing an Adjusted EBITDA margin of 26.9%, compared to 27.4% for the same period in 2025. The increase in Adjusted EBITDA is primarily attributable to higher volumes in terrestrial renewable energy, partially offset by higher metal input costs.

Performance Materials
Adjusted EBITDA in Q2 2026 increased by $0.5 million, or 7%, and reached $8.5 million, representing an Adjusted EBITDA margin of 25.8%, compared to 33.3% in Q2 2025. Adjusted EBITDA in YTD 2026 increased by $4.6 million to $18.7 million, representing an Adjusted EBITDA margin of 28.8%, compared to 28.1% in the same period in 2025. The increase in Adjusted EBITDA is primarily attributable to a more favourable product mix and volume net of higher metal input costs, offset by higher chemical costs compared to last year.

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Net Earnings and Adjusted Net Earnings

(in thousands of U.S. dollars, except per share amounts)	**Q2 2026**	Q2 2025	**YTD 2026**	YTD 2025
	$	$	**$**	$
Net earnings	**19,671**	15,227	**37,433**	24,800
Basic earnings per share	**$0.22**	$0.17	**$0.42**	$0.28
Reconciling items:				
Share-based compensation (recovery) expense	**(6,034)**	(807)	**(9,704)**	586
ERP implementation costs	**217**	156	**406**	316
Loss on remeasurement of financial instrument	**-**	1,000	**-**	1,000
Income tax expense (recovery) on taxable items above	**1,541**	173	**2,464**	(238)
Adjusted net earnings[1]	**15,395**	15,749	**30,599**	26,464
Basic adjusted earnings per share[1]	**$0.17**	$0.18	**$0.34**	$0.30

In Q2 2026, net earnings were $19.7 million, or $0.22 per share, compared to $15.2 million, or $0.17 per share, in Q2 2025, positively impacted by higher year-over-year share-based compensation recovery and Adjusted EBITDA when compared to Q2 2025. Adjusted net earnings were $15.4 million, or $0.17 per share, in Q2 2026, compared to $15.7 million, or $0.18 per share, in Q2 2025.

In YTD 2026, net earnings were $37.4 million or $0.42 per share, compared to $24.8 million or $0.28 per share, in YTD 2025. Adjusted net earnings were $30.6 million, or $0.34 per share, in YTD 2026, compared to $26.5 million or $0.30 per share in YTD 2025.

Excluding income tax expense, the items reconciling Adjusted net earnings in Q2 2026 and YTD 2026 are share-based compensation recovery and ERP implementation costs. For more information, see the "Expenses" section.

Backlog and Bookings

	BACKLOG			**BOOKINGS**[1]		
(in thousands of U.S. dollars)	**Q2 2026**	Q1 2026	Q2 2025	**Q2 2026**	Q1 2026	Q2 2025
	$	$	$	**$**	$	$
Specialty Semiconductors	**384,104**	389,278	276,400	**84,018**	129,921	115,981
Performance Materials	**35,846**	45,149	33,629	**23,863**	27,488	28,428
Total	**419,950**	434,427	310,029	**107,881**	157,409	144,409

	BACKLOG			**BOOKINGS**		
(number of days based on annualized revenue)*	**Q2 2026**	Q1 2026	Q2 2025	**Q2 2026**	Q1 2026	Q2 2025
Specialty Semiconductors	**365**	365	354	**86**	137	149
Performance Materials	**99**	130	127	**66**	79	108
Weighted average	**313**	336	297	**80**	122	138

** Backlog and bookings are also presented in number of days to normalize the impact of commodity prices.*

Q2 2026 vs. Q1 2026

Backlog represented 313 days of annualized revenue on June 30, 2026, 23 days lower than on March 31, 2026.

Backlog for Specialty Semiconductors represented 365 days of annualized revenue on June 30, 2026, which is the same level as at March 31, 2026. While the estimated number of days based on annualized revenue cannot exceed 365 days per the Company's definition of backlog, the effective backlog under Specialty Semiconductors for the terrestrial renewable energy and space solar power sectors surpassed the next twelve months on June 30, 2026.

Backlog for Performance Materials represented 99 days of annualized revenue on June 30, 2026, 31 days lower than on March 31, 2026, mainly due to the timing of contract signing and/or renewals, net of the quarterly realization of long-term contracts.

[1] These measures are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. See Non-IFRS Measures for more information.

Bookings for Specialty Semiconductors decreased by 51 days, from 137 days in Q1 2026 to 86 days in Q2 2026. Bookings for Performance Materials in Q2 2026 decreased by 13 days, from 79 days in Q1 2026 to 66 days in Q2 2026. Bookings are calculated by adding revenue to the increase or decrease in backlog for the period, divided by annualized revenue. The increase or decrease in bookings is attributable to the same factors as the increase or decrease in backlog.

Q2 2026 vs. Q2 2025

Backlog for Specialty Semiconductors represented 365 days on June 30, 2026, 11 days higher than on June 30, 2025. Backlog for Performance Materials represented 99 days on June 30, 2026, 28 days lower than on June 30, 2025.

Bookings in Q2 2026 decreased by 63 days for Specialty Semiconductors and by 42 days for Performance Materials compared to Q2 2025.

Expenses

(in thousands of U.S. dollars)	**Q2 2026**	Q2 2025	**YTD 2026**	YTD 2025
	$	$	**$**	$
Depreciation and amortization	**4,496**	4,324	**8,904**	8,452
SG&A	**9,356**	7,699	**20,677**	16,259
Share-based compensation (recovery) expense	**(6,034)**	(807)	**(9,704)**	586
ERP implementation costs	**217**	156	**406**	316
Loss on remeasurement of financial instrument	**-**	1,000	**-**	1,000
Financial expense	**1,736**	2,256	**4,569**	4,259
Income tax expense	**6,481**	1,990	**14,178**	5,525
Total expenses	**16,252**	16,618	**39,030**	36,397

Depreciation and Amortization

Depreciation and amortization expenses in Q2 2026 and YTD 2026 amounted to $4.5 million and $8.9 million, respectively, compared to $4.3 million and $8.5 million, respectively, for the same periods in 2025.

SG&A

Sales, General & Administrative expenses ("SG&A") in Q2 2026 and YTD 2026 were $9.4 and $20.7 million, respectively, compared to $7.7 million and $16.3 million, respectively, for the same periods in 2025. The increase was primarily driven by statutory employee benefits expense from the vesting of restricted share units by management and key employees, as well as the exercise of stock options, Stock Appreciation Rights by management and Deferred Share Units by a director.

Share-based Compensation (Recovery) Expense

Share-based compensation recovery in Q2 2026 amounted to $6.0 million, compared to $0.8 million in Q2 2025. In YTD 2026, share-based compensation recovery amounted to $9.7 million, compared to a share-based compensation expense of $0.6 million in YTD 2025. The Company holds a total return swap to reduce its exposure to its share price fluctuations related to Deferred Share Units, Performance Share Units, Restricted Share Units and Stock Appreciation Rights for a volume slightly above the current outstanding granted volume. For more information, see the "Liquidity and Capital Resources" section.

ERP Implementation Costs

Enterprise Resource Planning ("ERP") implementation costs related to project implementation at the Company's Montréal, Quebec site in Q2 2026 and YTD 2026 amounted to $0.2 million and $0.4 million, respectively, compared to $0.2 million and $0.3 million, respectively, for the same periods in 2025. The project is expected to be completed during the second half of 2026.

Financial Expense

Financial expense amounted to $1.7 million in Q2 2026, compared to $2.3 million in Q2 2025. In YTD 2026, financial expense amounted to $4.6 million, compared to $4.3 million in YTD 2025.

Income Taxes

Earnings before income taxes amounted to $26.2 million in Q2 2026 and of $51.6 million in YTD 2026. Income tax expense in Q2 2026 and YTD 2026 was $6.5 million and $14.2 million, respectively, compared to $2.0 million and $5.5 million, respectively, in the same periods in 2025. Both years were impacted by deferred tax assets applicable only in certain jurisdictions.

Liquidity and Capital Resources

(in thousands of U.S. dollars)	Q2 2026	Q2 2025	YTD 2026	YTD 2025
	$	$	**$**	$
Cash from operations before the following:	**11,779**	18,520	**32,694**	34,644
Net changes in non-cash working capital items	**(13,707)**	3,818	**(48,117)**	(5,990)
Cash (used in) from operating activities	**(1,928)**	22,338	**(15,423)**	28,654
Cash from (used in) investing activities	**53,830**	(4,008)	**42,691**	(1,544)
Cash used in financing activities	**(42,149)**	(914)	**(31,102)**	(1,370)
Effect of foreign exchange rate changes on cash	**(78)**	684	**(351)**	742
Net increase (decrease) in cash	**9,675**	18,100	**(4,185)**	26,482

In Q2 2026, cash used in operating activities amounted to $1.9 million, compared to cash from operating activities of $22.3 million in Q2 2025. In YTD 2026, cash used in operating activities amounted to $15.4 million compared to cash from operating activities of $28.7 million in YTD 2025. The negative variance of $44.1 million is due to an unfavourable variance in working capital requirements of $42.1 million to support growth, combined with a decrease in cash from operations of $1.9 million.

In Q2 2026, cash from investing activities amounted to $53.8 million, compared to cash used in investing activities of $4.0 million in Q2 2025. In YTD 2026, cash from investing amounted to $42.7 million, compared to cash used in investing activities of $1.5 million in YTD 2025. The positive variance of $44.2 million is mainly explained by the proceeds on settlement of the Company's total return swap renewed in Q2 2026, resulting in a receipt of cash of $59.8 million which represents a $52.9 million increase compared to the funds received upon renewal of the total return swap in Q1 2025. The increased funds from the total return swap are partially mitigated by increased additions to property, plant and equipment of $8.5 million in YTD 2026 compared to YTD 2025.

In Q2 2026, cash used in financing activities amounted to $42.1 million, compared to $0.9 million in Q2 2025. In YTD 2026, cash used in financing activities amounted to $31.1 million compared to $1.4 million in YTD 2025. In YTD 2026, the Company used its increased proceeds from the renewal of its total return swap to reduce its total debt.

Working Capital

(in thousands of U.S. dollars)	As at June 30, 2026	As at December 31, 2025
	$	$
Inventories	**196,276**	163,727
Other current assets	**135,453**	138,448
Current liabilities	**(145,399)**	(109,299)
Working capital[1]	**186,330**	192,876
Working capital ratio[1]	**2.28**	2.76

Working capital decreased by $6.5 million as at June 30, 2026, to $186.3 million, compared to $192.9 million as at December 31, 2025, due to an increase in current liabilities of $36.1 million driven by an increase in income tax payable of $12.9 million and an increase of $11.9 million in share-based compensation liabilities. The increase in current liabilities was partially mitigated by an increase in inventories of $32.5 million to meet higher customer demand.

[1] These measures are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. See Non-IFRS Measures for more information.

Net Debt

(in thousands of U.S. dollars)	As at June 30, 2026	As at December 31, 2025
	$	$
Bank indebtedness	-	-
Long-term debt including current portion	79,043	109,837
Total debt[1]	79,043	109,837
Cash	(55,388)	(59,573)
Net debt	23,655	50,264

Total debt stood at $79.0 million as at June 30, 2026, compared to $109.8 million as at December 31, 2025. The decrease of $30.8 million is primarily explained by the use of a portion of the proceeds on settlement of the total return swap to repay the credit facility. For more information, see the “Liquidity and Capital Resources” section.

Net debt, after considering cash, decreased by $26.6 million, to $23.7 million as at June 30, 2026, from $50.3 million as at December 31, 2025.

In addition, in March 2026, the Company received CA$0.5 million from Canada Economic Development for Quebec Regions with respect to an interest-free term loan with a maximum drawdown of CA$3.0 million dependent upon eligible capital expenditures, bringing the Company’s total drawdown to CA$3.0 million. The Company will benefit from a repayment moratorium period on the interest-free loan ending on September 30, 2027. Subsequently, the loan is reimbursable in monthly instalments over a period of five years.

Share Information

	As at August 3, 2026	As at June 30, 2026
Issued and outstanding shares	89,935,323	89,935,323
Stock options potentially issuable	548,710	548,710

Off-balance Sheet Arrangements

The Company is exposed to currency risk on sales in euros and other currencies, as well as interest rate fluctuations on its credit facility, and, therefore, may periodically enter into foreign currency forward contracts and interest rate or foreign currency swap contracts to protect itself against interest rate and currency fluctuations. The reader will find more details related to these contracts in Notes 18 and 26 of the audited consolidated financial statements for the year ended December 31, 2025.

Commitments

In the normal course of business, the Company contracted letters of credit of $0.2 million as at June 30, 2026, and of $0.3 million as at December 31, 2025.

Contingencies

In the normal course of business, the Company is exposed to events that could give rise to contingent liabilities or assets. As at the date of issue of the consolidated financial statements, the Company was not aware of any significant events that would have a material effect on its consolidated financial statements.

Governance

As required by Multilateral Instrument 52-109 of the Canadian Securities Administrators (“MI 52-109”), 5N+ has filed certificates signed by the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”) that, among other things, attest to the design of the disclosure controls and procedures and the design and effectiveness of internal controls over financial reporting.

[1] These measures are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. See Non-IFRS Measures for more information.

Disclosure Controls and Procedures

The CEO and the CFO have designed disclosure controls and procedures ("DC&P"), or have caused them to be designed under their supervision, to provide reasonable assurance that:

- Material information relating to the Company has been made known to them; and
- Information required to be disclosed in the Company's filings is recorded, processed, summarized and reported within the time periods specified in securities legislation.

An evaluation of the effectiveness of the Company's disclosure controls and procedures was carried out under the supervision of the CEO and CFO. Based on this evaluation, the CEO and the CFO concluded that the disclosure controls and procedures are effective.

Internal Control over Financial Reporting

The CEO and the CFO have also designed internal controls over financial reporting ("ICFR") or have caused them to be designed under their supervision, using the Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("2013 COSO Framework"), to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards.

Due to their intrinsic limitations, DC&P and ICFR only provide reasonable assurance and may not prevent or detect all misstatement or errors.

Changes in Internal Control over Financial Reporting

No changes were made to the ICFR during the six-month period ended June 30, 2026, that have materially affected, or are reasonably likely to materially affect, the ICFR.

Adoption of New Accounting Standards and Future Changes in Accounting Policies

Adoption of new accounting standards

IFRS 9 and IFRS 7 – Financial Instruments

Effective January 1, 2026, the Company adopted amendments to IFRS 7 and IFRS 9, retrospectively. In applying these amendments, the Company has determined it is eligible for, and has taken, the optional exception to account for Electronic Fund Transfer payments on the date of initiation, rather than the date of settlement. As a result, the adoption of these amendments did not have an impact on the interim condensed consolidated financial statements.

Future Changes in accounting policies

The following standard has been issued but not yet effective:

IFRS 18 – Presentation and Disclosure in the Financial Statements

In April 2024, the IASB issued IFRS 18 as a replacement to IAS 1 Presentation of Financial Statements. The new standard includes a prescribed structure for the Statement of Earnings, disclosure requirements for management-defined performance measures and guidance on the aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently evaluating the impact of the amendments on its consolidated financial statements.

Financial Instruments and Risk Management

Fair Value of Financial Instruments

A detailed description of the methods and assumptions used to measure the fair value of the Company's financial instruments and their fair value is discussed in Note 18 – Fair Value of Financial Instruments of the audited consolidated financial statements for the year ended December 31, 2025 and note 10 of the unaudited condensed interim consolidated financial statements for the three and six-month periods ended June 30, 2026 and June 30, 2025.

Financial Risk Management

For a detailed description of the nature and extent of risks arising from financial instruments, and their related risk management, refer to Note 26 of the audited consolidated financial statements for the year ended December 31, 2025.

Risk and Uncertainties

For a detailed description of risk factors associated with 5N+ and its business, refer to "Risk and Uncertainties" of 5N+' 2025 MD&A dated February 24, 2026. Factors of uncertainty and risk that might result in such differences include the risks associated with interest rate, foreign currency, credit, liquidity, global economic conditions, international operations including China and trade protectionist measures and any retaliatory action from affected countries, environmental regulations, crisis and climate change management, environmental social and governance ("ESG") considerations, safety and hazards, geopolitical uncertainty, disease outbreaks, availability and retention of qualified employees, collective agreements, litigation, our growth strategy, competition, commodity price, sources of supply, protection of intellectual property, inventory price, business interruptions, loss of an important customer, changes to backlog, acquisitions, systems, network infrastructure and data failure, interruption and breach, privacy, market price of the common shares, as well as grants and other incentive programs.

Non-IFRS Measures

In this MD&A, certain non-IFRS measures are used. The Company's management believes that these non-IFRS measures provide useful information to investors regarding the Company's financial condition and results of operations as they provide additional key metrics of its performance. These non-IFRS measures are not recognized under IFRS Accounting Standards, do not have any standardized meaning prescribed under IFRS Accounting Standards and may differ from similarly named measures as reported by other issuers, and accordingly may not be comparable. These measures should not be viewed as a substitute for the related financial information prepared in accordance with IFRS Accounting Standards.

Backlog represents the expected orders the Company has received, but has not yet executed, and that are expected to translate into sales within the next twelve months, expressed in dollars and estimated in number of days not to exceed 365 days. Bookings represent orders received during the period considered, expressed in number of days, and calculated by adding revenue to the increase or decrease in backlog for the period considered, divided by annualized year revenue. 5N+ uses backlog to provide an indication of expected future revenue in days, and bookings to determine its ability to sustain and increase its revenue.

EBITDA means net earnings (loss) before interest expenses, income tax expense (recovery), depreciation and amortization. 5N+ uses EBITDA because it believes it is a meaningful measure of the operating performance of its 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 is reconciled to the most comparable IFRS measure:

(in thousands of U.S. dollars)	**Q2 2026**	Q2 2025	**YTD 2026**	YTD 2025
	$	$	**$**	$
Net earnings	**19,671**	15,227	**37,433**	24,800
Interest on long-term debt, imputed interest and other interest expense	**2,208**	2,353	**4,322**	5,070
Income tax expense	**6,481**	1,990	**14,178**	5,525
Depreciation and amortization	**4,496**	4,324	**8,904**	8,452
EBITDA	**32,856**	23,894	**64,837**	43,847

EBITDA margin is defined as EBITDA divided by revenue.

Adjusted EBITDA means operating earnings (loss) as defined before the effect of impairment of inventories, share-based compensation expense (recovery), ERP implementation costs, loss (gain) on disposal of property, plant and equipment, loss (gain) on remeasurement of financial instrument, impairment (reversal of impairment) of non-current assets, litigation and restructuring costs (income), and depreciation and amortization. 5N+ uses Adjusted EBITDA because it believes it is a meaningful measure of the operating performance of its 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 revenue.

Adjusted EBITDA and Adjusted EBITDA margin are reconciled to the most comparable IFRS measure:

(in thousands of U.S. dollars)	**Q2 2026**	Q2 2025	**YTD 2026**	YTD 2025
	$	$	**$**	$
Revenue	**122,358**	95,311	**240,251**	184,199
Operating expenses	**(94,470)**	(75,838)	**(184,071)**	(149,615)
Operating earnings	**27,888**	19,473	**56,180**	34,584
Share-based compensation (recovery) expense	**(6,034)**	(807)	**(9,704)**	586
ERP implementation costs	**217**	156	**406**	316
Loss on remeasurement of financial instrument	**-**	1,000	**-**	1,000
Depreciation and amortization	**4,496**	4,324	**8,904**	8,452
Adjusted EBITDA	**26,567**	24,146	**55,786**	44,938
Adjusted EBITDA margin	**21.7%**	25.3%	**23.2%**	24.4%

Adjusted operating expenses means operating expenses before impairment of inventories, share-based compensation expense (recovery), ERP implementation costs, loss (gain) on disposal of property, plant and equipment, loss (gain) on remeasurement of financial instrument, impairment (reversal of impairment) of non-current assets, litigation and restructuring costs (income), and depreciation and amortization. 5N+ uses Adjusted operating expenses to calculate Adjusted EBITDA. 5N+ believes it is a meaningful measure of the operating performance of its ongoing business. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

Adjusted operating expenses are reconciled to the most comparable IFRS measure:

(in thousands of U.S. dollars)	**Q2 2026**	Q2 2025	**YTD 2026**	YTD 2025
	$	$	**$**	$
Operating expenses	**94,470**	75,838	**184,071**	149,615
Share-based compensation recovery (expense)	**6,034**	807	**9,704**	(586)
ERP implementation costs	**(217)**	(156)	**(406)**	(316)
Loss on remeasurement of financial instrument	**-**	(1,000)	**-**	(1,000)
Depreciation and amortization	**(4,496)**	(4,324)	**(8,904)**	(8,452)
Adjusted operating expenses	**95,791**	71,165	**184,465**	139,261

Adjusted net earnings (loss) means the net earnings (loss) before the effect of impairment of inventory, share-based compensation expense (recovery), ERP implementation costs, loss (gain) on disposal of property, plant and equipment, loss (gain) on remeasurement of financial instrument, impairment (reversal of impairment) of non-current assets and litigation and restructuring costs (income), net of the related income tax expense (recovery). 5N+ uses adjusted net earnings (loss) because it believes it is a meaningful measure of the operating performance of its ongoing business without the effects of unusual expenses or income. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

Basic adjusted earnings (loss) per share means adjusted net earnings (loss) divided by the basic weighted average number of outstanding shares. 5N+ uses basic adjusted earnings (loss) per share because it believes it is a meaningful measure of the operating performance of its ongoing business without the effects of unusual expenses or income. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

Adjusted net earnings (loss) and Basic adjusted earnings (loss) per share are reconciled to the most comparable IFRS measures:

(in thousands of U.S. dollars, except per share amounts and number of shares)	Q2 2026	Q2 2025	YTD 2026	YTD 2025
	$	$	$	$
Net earnings	19,671	15,227	37,433	24,800
Basic earnings per share	$0.22	$0.17	$0.42	$0.28
Reconciling items:				
Share-based compensation (recovery) expense	(6,034)	(807)	(9,704)	586
ERP implementation costs	217	156	406	316
Loss on remeasurement of financial instrument	-	1,000	-	1,000
Income tax expense (recovery) on taxable items above	1,541	173	2,464	(238)
Adjusted net earnings	15,395	15,749	30,599	26,464
Basic weighted average number of shares	89,935,323	89,056,263	89,649,002	89,049,569
Basic adjusted earnings per share	$0.17	$0.18	$0.34	$0.30

Adjusted gross margin is a measure used to monitor the sales contribution after paying cost of sales, excluding depreciation and inventory impairment charges. 5N+ also expressed this measure in percentage of revenue by dividing the adjusted gross margin value by the total revenue.

Adjusted gross margin is reconciled to the most comparable IFRS measure:

(in thousands of U.S. dollars)	Q2 2026	Q2 2025	YTD 2026	YTD 2025
	$	$	$	$
Total revenue	122,358	95,311	240,251	184,199
Cost of sales	(89,032)	(65,888)	(169,147)	(127,780)
Gross margin	33,326	29,423	71,104	56,419
Depreciation included in cost of sales	3,711	3,551	7,334	6,954
Adjusted gross margin	37,037	32,974	78,438	63,373
Adjusted gross margin percentage	30.3%	34.6%	32.6%	34.4%

Net debt is calculated as total debt less cash. Any introduced IFRS 16 reporting measures in reference to lease liabilities are excluded from the calculation. 5N+ uses this measure as an indicator of its overall financial position.

The net debt to EBITDA ratio is defined as net debt divided by the trailing 12 months EBITDA.

Total debt and Net debt are reconciled to the most comparable IFRS measure:

(in thousands of U.S. dollars)	As at June 30, 2026	As at December 31, 2025
	$	$
Bank indebtedness	-	-
Long-term debt including current portion	79,043	109,837
Lease liabilities including current portion	28,409	30,153
Subtotal Debt	107,452	139,990
Lease liabilities including current portion	(28,409)	(30,153)
Total Debt	79,043	109,837
Cash	(55,388)	(59,573)
Net Debt	23,655	50,264

Working capital is a measure of liquid assets that is calculated by taking current assets and subtracting current liabilities. Given that the Company is currently indebted, it uses it as an indicator of its financial efficiency and aims to maintain it at the lowest possible level.

Working capital ratio is calculated by dividing current assets by current liabilities.

Working capital is reconciled to the most comparable IFRS measure:

(in thousands of U.S. dollars)	**As at June 30, 2026**	As at December 31, 2025
	$	$
Inventories	**196,276**	163,727
Other current assets excluding inventories	**135,453**	138,448
Current assets	**331,729**	302,175
Current liabilities	**(145,399)**	(109,299)
Working capital	**186,330**	192,876
Working capital ratio	**2.28**	2.76

Additional Information

5N+'s common shares trade on the Toronto Stock Exchange ("TSX") under the ticker symbol VNP. Additional information relating to the Company, including the Company's annual information form, is available under the Company's profile on SEDAR+ at www.sedarplus.ca.

Selected Quarterly Financial Information

(in thousands of U.S. dollars, except per share amounts)	**June 30, 2026**	March 31, 2026	Dec 31, 2025	Sept 30, 2025	June 30, 2025	March 31, 2025	Dec 31, 2024	Sept 30, 2024
	$	$	$	$	$	$	$	$
Revenue	**122,358**	117,893	101,968	104,895	95,311	88,888	70,854	78,828
EBITDA	**32,856**	31,981	16,935	31,746	23,894	19,953	10,240	14,368
Adjusted EBITDA	**26,567**	29,219	18,450	29,055	24,146	20,792	12,484	15,621
Net earnings	**19,671**	17,762	7,590	18,176	15,227	9,573	1,006	6,370
Basic earnings per share	**$0.22**	$0.20	$0.09	$0.20	$0.17	$0.11	$0.01	$0.07
Diluted earnings per share	**$0.22**	$0.20	$0.08	$0.20	$0.17	$0.11	$0.01	$0.07
Adjusted net earnings	**15,395**	15,204	8,371	16,582	15,749	10,715	2,783	7,841
Basic adjusted earnings per share	**$0.17**	$0.17	$0.09	$0.19	$0.18	$0.12	$0.03	$0.09
Cash from operations before net change in non-cash working capital items	**11,779**	20,915	13,355	21,848	18,520	16,124	6,958	11,875
Backlog	**313 days**	336 days	353 days	311 days	297 days	268 days	326 days	289 days

Net earnings are completely attributable to equity holders of 5N+.