

Earnings Conference Call

Q1 2024

Key Financial Figures



Forward Looking Statement

Certain statements in this presentation 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 and timely complete the realization of its backlog, 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 2023 MD&A dated February 27, 2024 and note 10 of the unaudited condensed interim consolidated financial statements for the three-month periods ended March 31, 2024 and March 31, 2023 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 presentation 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 presentation 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.

Financial Highlights

- > Revenue in Q1 2024 increased by 18% to \$65.0 million, compared to \$55.3 million in Q1 2023, primarily driven by strong growth from terrestrial renewable energy and space solar power sectors under Specialty Semiconductors, more than mitigating the decrease under Performance Materials.
- > Net earnings in Q1 2024 were \$2.5 million, compared to \$1.5 million in Q1 2023.
- > Adjusted EBITDA¹ in Q1 2024 increased by 33% to \$11.7 million, representing 18.1% of revenue compared to \$8.8 million or 15.9% of revenue in Q1 2023.
- > Adjusted gross margin¹ in Q1 2024 was 30.9%, compared to 29.8% in Q1 2023.
- > Backlog¹ represented 288 days of annualized revenue as at March 31, 2024, 4 days lower than the previous quarter and 18 days lower than the same period last year, primarily due to the timing of contract signings and renewals.
- > Net debt¹ was \$84.2 million as at March 31, 2024, compared to \$73.8 million as at December 31, 2023, reflecting an increase in working capital¹ and planned capital expenditures under Specialty Semiconductors, whereas net debt to EBITDA ratio¹ remained stable at 1.81x as at March 31, 2024 compared to 1.69x as at December 31, 2023.

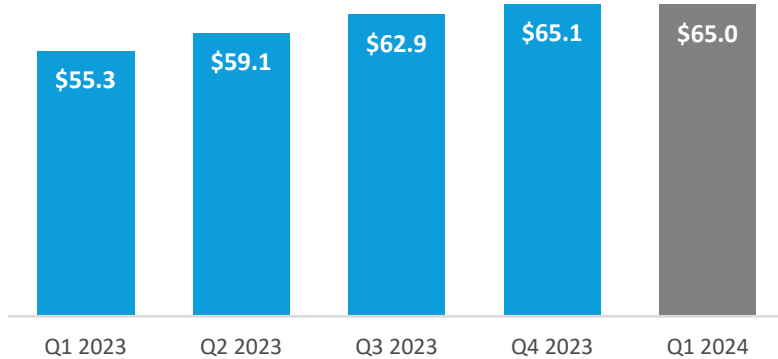
¹ These measures are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. See Non-IFRS Measures for more information.

Revenue

Quarter ended March 31, 2024

Revenue

(IN MILLIONS OF USD)



Revenue – Quarterly Comparison

(IN MILLIONS OF USD)



Revenue in Q1 2024 increased by 18% to \$65.0 million, compared to \$55.3 million in Q1 2023, primarily driven by strong growth from terrestrial renewable energy and space solar power sectors under Specialty Semiconductors, more than mitigating the decrease under Performance Materials.

Adjusted EBITDA & EBITDA

Quarter ended March 31, 2024

Adjusted EBITDA

(IN MILLIONS OF USD)



EBITDA¹

(IN MILLIONS OF USD)



Adjusted EBITDA in Q1 2024 increased by 33% to \$11.7 million, representing 18.1% of revenue compared to \$8.8 million or 15.9% of revenue in Q1 2023.

In Q1 2024, EBITDA reached \$11.8 million, compared to \$8.8 million in Q1 2023. The increase of \$3.0 million is mainly explained by the increase in Adjusted EBITDA of \$2.9 million.

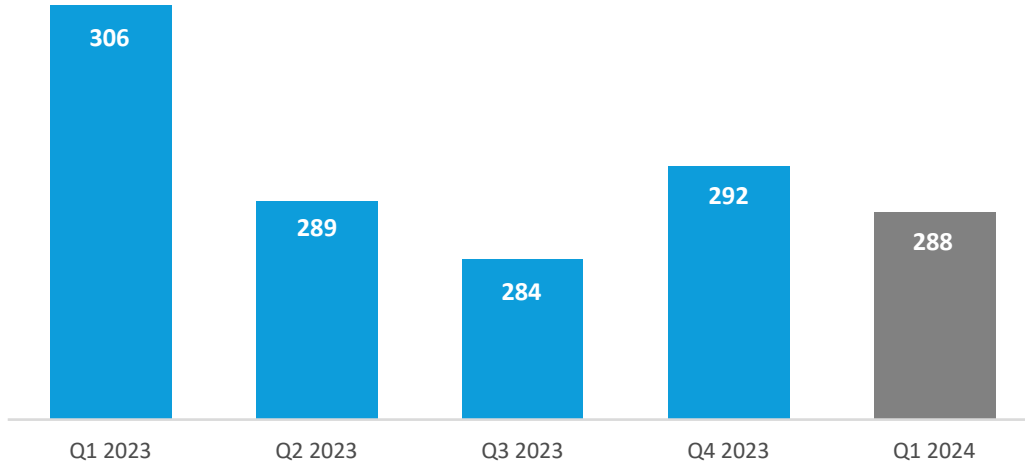
¹ These measures are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. See Non-IFRS Measures for more information.

Backlog

Quarter ended March 31, 2024

Backlog

(IN NUMBER OF DAYS)



Backlog represented 288 days of annualized revenue as at March 31, 2024, 4 days lower than the previous quarter and 18 days lower than the same period last year, primarily due to the timing of contract signings and renewals.

Bookings¹ for Specialty Semiconductors decreased by 18 days, from 106 days in Q4 2023 to 88 days in Q1 2024. Bookings for Performance Materials decreased by 32 days, from 115 days in Q4 2023 to 83 days in Q1 2024.

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.

Non-IFRS Measures

Quarter ended March 31, 2024

Adjusted EBITDA

Adjusted EBITDA means operating earnings (loss) as defined before the effect of impairment of inventories, share-based compensation expense (recovery), litigation and restructuring costs (income), impairment of non-current assets, loss (gain) on disposal of property, plant and equipment, 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.

| (in thousands of U.S. dollars) | Q1 2024 \$ | Q1 2023 \$ |
|---|---------------|---------------|
| Revenues | 65,019 | 55,287 |
| Operating expenses | (57,587) | (50,561) |
| Operating earnings (loss) | 7,432 | 4,726 |
| Share-based compensation expense (recovery) | 360 | 12 |
| Depreciation and amortization | 3,945 | 4,059 |
| Adjusted EBITDA | 11,737 | 8,797 |

EBITDA

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.

| (in thousands of U.S. dollars) | Q1 2024 \$ | Q1 2023 \$ |
|---|---------------|---------------|
| Net earnings | 2,507 | 1,454 |
| Interest on long-term debt, imputed interest and other interest expense | 2,206 | 2,260 |
| Income tax expense | 3,106 | 997 |
| Depreciation and amortization | 3,945 | 4,059 |
| EBITDA | 11,764 | 8,770 |

Non-IFRS Measures

Quarter ended March 31, 2024

Adjusted gross margin

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 revenues by dividing the adjusted gross margin value by the total revenue.

| (in thousands of U.S. dollars) | Q1 2024 \$ | Q1 2023 \$ |
|--|---------------|---------------|
| Total revenue | 65,019 | 55,287 |
| Cost of sales | (48,020) | (42,002) |
| Gross margin | 16,999 | 13,285 |
| Depreciation included in cost of sales | 3,076 | 3,202 |
| Adjusted gross margin | 20,075 | 16,487 |
| Adjusted gross margin percentage | 30.9% | 29.8% |

Backlog

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 revenues to the increase or decrease in backlog for the period considered, divided by annualized year revenues. 5N+ uses backlog to provide an indication of expected future revenues in days, and bookings to determine its ability to sustain and increase its revenues.

Non-IFRS Measures

Quarter ended March 31, 2024

Net debt

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. 5N+ uses this measure as an indicator of its overall financial position.

Net debt to EBITDA ratio

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

Working capital

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.

| (in thousands of U.S. dollars) | As at March 31, 2024 \$ | As at December 31, 2023 \$ |
|---|-------------------------------|----------------------------------|
| Bank indebtedness | - | - |
| Long-term debt including current portion | 118,169 | 108,500 |
| Lease liabilities including current portion | 31,635 | 30,139 |
| Subtotal debt | 149,804 | 138,639 |
| Lease liabilities including current portion | (31,635) | (30,139) |
| Total debt | 118,169 | 108,500 |
| Cash and cash equivalents | (33,929) | (34,706) |
| Net debt | 84,240 | 73,794 |

| (in thousands of U.S. dollars) | As at March 31, 2024 \$ | As at December 31, 2023 \$ |
|--|-------------------------------|----------------------------------|
| Inventories | 113,521 | 105,850 |
| Other current assets excluding inventories | 79,192 | 76,113 |
| Current assets | 192,713 | 181,963 |
| Current liabilities | (59,943) | (81,807) |
| Working capital | 132,770 | 100,156 |
| Working capital current ratio | 3.21 | 2.22 |

5N+

Enabling
Performance