

# Financial Overview

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Q3 2023

Key Financial Figures



# Forward Looking Statement

Certain statements in this presentation 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 5N Plus's 2022 MD&A dated February 21, 2023 and note 10 of the unaudited condensed interim consolidated financial statements for the three and nine-month periods ended September 30, 2023 and September 30, 2022 available on SEDAR+ at [www.sedarplus.ca](http://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 information in this presentation 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 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

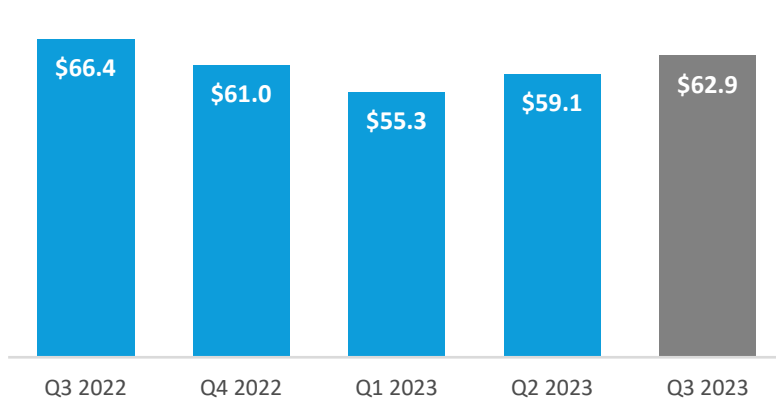
- > Revenue in Q3 2023 reached \$62.9 million, compared to \$66.4 million for the same period last year. The slight decrease is primarily attributable to the Company's exit from the manufacturing of extractive and catalytic products in the second half of 2022, largely compensated by increased demand in Specialty Semiconductors.
- > Adjusted EBITDA<sup>1</sup> in Q3 2023 was \$9.6 million, compared to \$9.1 million for the same period last year . Adjusted EBITDA was \$29.3 million YTD 2023, compared to \$23.3 million YTD 2022.
- > Adjusted gross margin<sup>1</sup> YTD 2023 was 29.1%, compared to 22.9% YTD 2022.
- > On September 30, 2023, the backlog<sup>1</sup> represented 284 days of annualized revenue, 5 days lower than the previous quarter and 92 days higher than the same period last year, primarily due to demand for terrestrial renewable energy and space solar power.
- > Net debt<sup>1</sup> stood at \$78.6 million as at September 30, 2023, compared to \$78.3 million as at December 31, 2022.

# Revenue

Quarter ended September 30, 2023

## Revenue

(IN MILLIONS OF USD)



## Revenue – Quarterly Comparison

(IN MILLIONS OF USD)



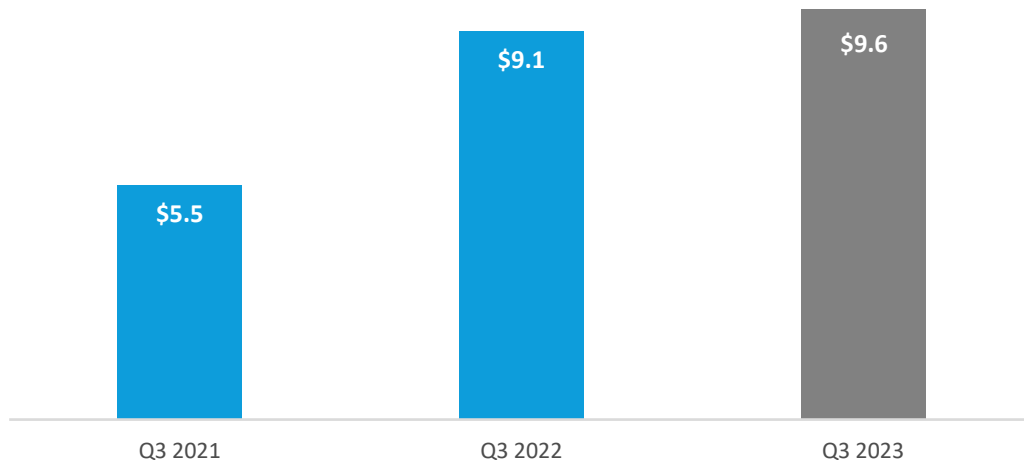
Revenue in Q3 2023 decreased by 5%, reaching \$62.9 million, compared to \$66.4 million for the same period last year. The decrease is primarily attributable to the Company's strategic exit from the manufacturing of low-margin extractive and catalytic products in the second half of 2022 and the related divestiture of its Tilly, Belgium operations in Q4 2022.

# Adjusted EBITDA

Quarter ended September 30, 2023

## Adjusted EBITDA<sup>1</sup>

(IN MILLIONS OF USD)



Adjusted EBITDA<sup>1</sup> in Q3 2023 reached \$9.6 million, an increase of \$0.5 million, compared to \$9.1 million in Q3 2022.

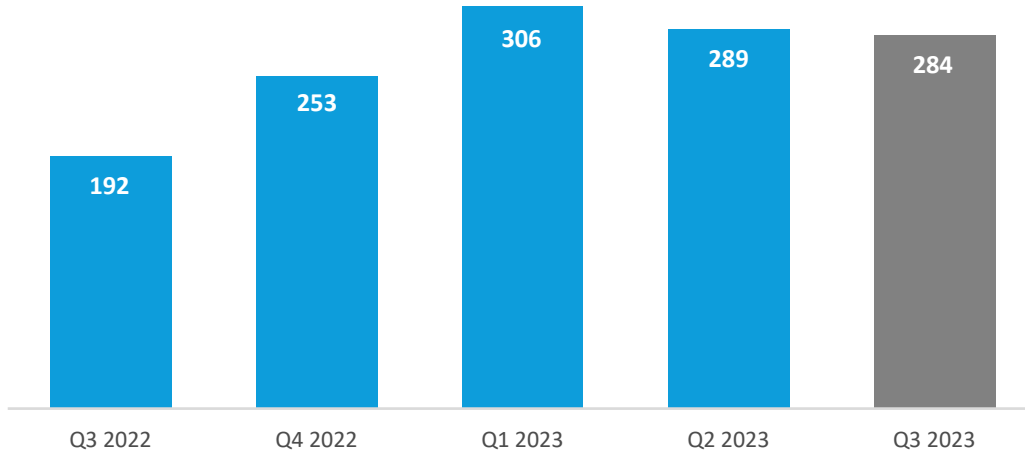
In Q3 2023, EBITDA<sup>1</sup> reached \$9.6 million, compared to \$1.8 million in Q3 2022. The increase of \$7.8 million is mainly explained by an impairment of non-current assets of \$7.1 million recorded in Q3 2022.

# Backlog

Quarter ended September 30, 2023

## Backlog<sup>1</sup>

(IN NUMBER OF DAYS)



On September 30, 2023, the backlog<sup>1</sup> represented 284 days of annualized revenue, 5 days lower than the previous quarter and 92 days higher than the same period last year, primarily due to demand for terrestrial renewable energy and space solar power.

Bookings<sup>1</sup> for Specialty Semiconductors decreased by 9 days, from 120 days in Q2 2023 to 111 days in Q3 2023. Bookings for Performance Materials increased by 40 days, from 52 days in Q2 2023 to 92 days in Q3 2023.

1) See Non-IFRS Measures

# Non-IFRS Measures

Quarter ended September 30, 2023

## 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 (income) costs, impairment of non-current assets, loss (gain) on disposal of property, plant and equipment, loss on disposal of assets held for sale, and depreciation and amortization. 5N Plus 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)	Q3 2023 \$	Q3 2022 \$	YTD 2023 \$	YTD 2022 \$
Revenues	<b>62,946</b>	66,372	<b>177,308</b>	203,181
Operating expenses	<b>(57,581)</b>	(68,813)	<b>(153,976)</b>	(208,016)
Operating earnings (loss)	<b>5,365</b>	(2,441)	<b>23,332</b>	(4,835)
Share-based compensation expense	<b>305</b>	10	<b>1,018</b>	1,170
Litigation and restructuring costs (income)	-	241	<b>(8,772)</b>	613
Impairment of non-current assets	-	7,092	<b>608</b>	12,478
Loss on disposal of PPE	-	-	<b>1,051</b>	-
Loss on disposal of assets held for sale	-	216	-	216
Depreciation and amortization	<b>3,979</b>	3,996	<b>12,053</b>	13,681
Adjusted EBITDA	<b>9,649</b>	9,114	<b>29,290</b>	23,323

# Non-IFRS Measures

Quarter ended September 30, 2023

## EBITDA

EBITDA means net earnings (loss) before interest expenses, income tax expense, depreciation and amortization. 5N Plus 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)	Q3 2023 \$	Q3 2022 \$	YTD 2023 \$	YTD 2022 \$
Net earnings (loss)	<b>1,518</b>	(6,968)	<b>13,115</b>	(14,853)
Interest on long-term debt, imputed interest and other interest expense	<b>2,389</b>	1,821	<b>6,705</b>	4,476
Income taxes expense	<b>1,696</b>	2,902	<b>4,009</b>	5,003
Depreciation and amortization	<b>3,979</b>	3,996	<b>12,053</b>	13,681
EBITDA	<b>9,582</b>	1,751	<b>35,882</b>	8,307

## 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 Plus also expressed this measure in percentage of revenues by dividing the gross margin value by the total revenue.

(in thousands of U.S. dollars)	Q3 2023 \$	Q3 2022 \$	YTD 2023 \$	YTD 2022 \$
Total revenue	<b>62,946</b>	66,372	<b>177,308</b>	203,181
Cost of sales	<b>(50,389)</b>	(53,410)	<b>(135,156)</b>	(167,806)
Gross margin	<b>12,557</b>	12,962	<b>42,152</b>	35,375
Depreciation included in cost of sales	<b>3,113</b>	3,194	<b>9,467</b>	11,053
Adjusted gross margin	<b>15,670</b>	16,156	<b>51,619</b>	46,428
Adjusted gross margin percentage	<b>24.9%</b>	24.3%	<b>29.1%</b>	22.9%



# Non-IFRS Measures

Quarter ended September 30, 2023

## 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 Plus uses backlog to provide an indication of expected future revenues in days, and bookings to determine its ability to sustain and increase its revenues.

## 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 Plus uses this measure as an indicator of its overall financial position.

(in thousands of U.S. dollars)	As at September 30, 2023 \$	As at December 31, 2022 \$
Bank indebtedness	-	-
Long-term debt including current portion	<b>108,500</b>	121,000
Lease liabilities including current portion	<b>29,057</b>	30,402
Subtotal debt	<b>137,557</b>	151,402
Lease liabilities including current portion	<b>(29,057)</b>	(30,402)
Total debt	<b>108,500</b>	121,000
Cash and cash equivalents	<b>(29,875)</b>	(42,691)
Net debt	<b>78,625</b>	78,309

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