

Earnings Conference Call

Q3 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 and nine-month periods ended September 30, 2024 and September 30, 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 Q3 2024 increased by 25% to \$78.8 million, compared to \$62.9 million in Q3 2023, primarily driven by strong growth under Specialty Semiconductors.
- > Adjusted EBITDA¹ in Q3 2024 increased by 62% to \$15.6 million, compared to \$9.6 million in Q3 2023, driven by higher volume from the terrestrial renewable energy and space solar power sectors, better prices over inflation, and a strong quarterly performance under Performance Materials from a product mix and operating costs perspective.
- > Adjusted gross margin¹ increased by 56% to reach \$24.5 million in Q3 2024, favourably impacted by the same factors as above. Adjusted gross margin as a percentage of sales was 31.1%, compared to 24.9% in Q3 2023.
- > Net earnings in Q3 2024 were \$6.4 million, compared to \$1.5 million in Q3 2023.
- > Backlog¹ stood at \$ 249.7 million, representing 289 days of annualized revenue as at September 30, 2024, 11 days lower than the previous quarter and at a similar level than the same period last year, primarily due to the timing of contract signings and renewals.
- > Net debt¹ was \$93.7 million as at September 30, 2024, compared to \$73.8 million as at December 31, 2023, reflecting an increase in working capital¹ and planned capital expenditures in the first half of 2024 under Specialty Semiconductors. The Company's net-debt-to-EBITDA ratio¹ stood at 1.99x as at September 30, 2024.

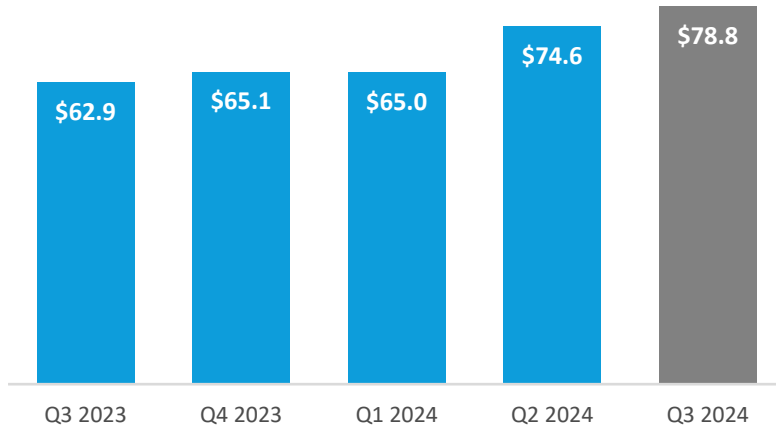
¹ These measures are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. See Non-IFRS Measures for more information.

Revenue

Quarter ended September 30, 2024

Revenue

(IN MILLIONS OF USD)



Revenue – Quarterly Comparison

(IN MILLIONS OF USD)



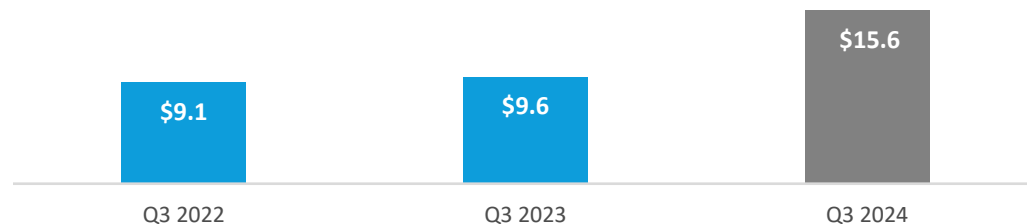
Revenue in Q3 2024 increased by 25%, reaching \$78.8 million, compared to \$62.9 million for the same period last year. The increase is primarily attributable to strong growth from the terrestrial renewable energy and space solar power sectors under Specialty Semiconductors. Performance Materials also generated an improved performance over last year with a more favourable product mix and despite lower volumes.

Adjusted EBITDA & EBITDA

Quarter ended September 30, 2024

Adjusted EBITDA

(IN MILLIONS OF USD)



EBITDA¹

(IN MILLIONS OF USD)



Adjusted EBITDA in Q3 2024 increased by 62% to \$15.6 million, representing an Adjusted EBITDA margin¹ of 19.8%, compared to \$9.6 million, or an Adjusted EBITDA margin of 15.3%, in Q3 2023.

In Q3 2024, EBITDA reached \$14.4 million, compared to \$9.6 million in Q3 2023. The increase of \$4.8 million is mainly explained by an increase in Adjusted EBITDA, a gain on disposal of fixed assets, net of impairment of non-current assets and litigation and restructuring costs recorded this quarter.

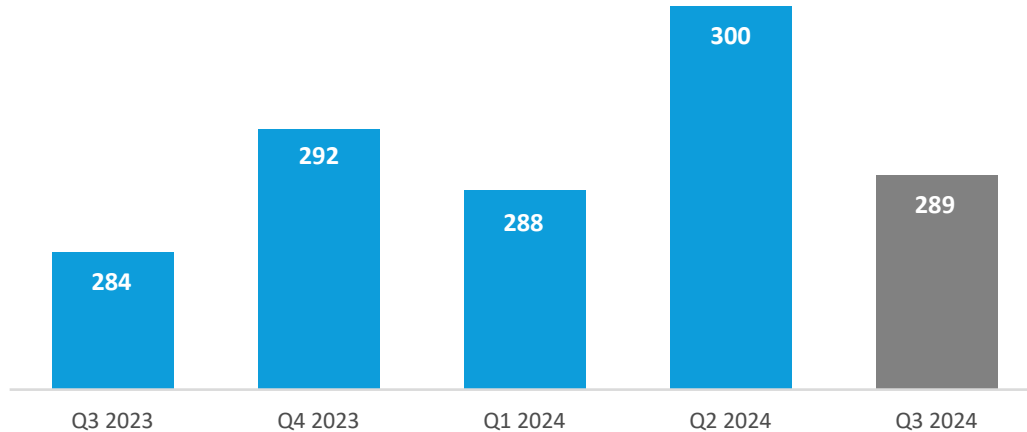
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Backlog

Quarter ended September 30, 2024

Backlog

(IN NUMBER OF DAYS)



Backlog stood at \$ 249.7 million, representing 289 days of annualized revenue as at September 30, 2024, 11 days lower than the previous quarter and at a similar level than the same period last year, primarily due to the timing of contract signings and renewals.

Bookings¹ for Specialty Semiconductors decreased by 68 days, from 164 days in Q2 2024 to 96 days in Q3 2024. The decrease in bookings is largely attributable to the signing of long-term contracts negotiated for renewal last quarter. Bookings for Performance Materials in Q3 2024 increased by 15 days, from 83 days in Q2 2024 to 98 days in Q3 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 September 30, 2024

Adjusted EBITDA

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

(in thousands of U.S. dollars)	Q3 2024 \$	Q3 2023 \$	YTD 2024 \$	YTD 2023 \$
Revenues	78,828	62,946	218,427	177,308
Operating expenses	(69,334)	(57,581)	(192,352)	(153,976)
Operating earnings	9,494	5,365	26,075	23,332
Share-based compensation expense	252	305	597	1,018
(Gain) loss on disposal of property, plant and equipment	(2,089)	-	(2,089)	1,051
Impairment of non-current assets	2,519	-	2,826	608
Litigation and restructuring costs (income)	1,021	-	1,021	(8,772)
Depreciation and amortization	4,424	3,979	12,418	12,053
Adjusted EBITDA	15,621	9,649	40,848	29,290

Non-IFRS Measures

Quarter ended September 30, 2024

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)	Q3 2024 \$	Q3 2023 \$	YTD 2024 \$	YTD 2023 \$
Net earnings	6,370	1,518	13,666	13,115
Interest on long-term debt, imputed interest and other interest expense	2,643	2,389	6,723	6,705
Income tax expense	931	1,696	6,521	4,009
Depreciation and amortization	4,424	3,979	12,418	12,053
EBITDA	14,368	9,582	39,328	35,882

Non-IFRS Measures

Quarter ended September 30, 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)	Q3 2024 \$	Q3 2023 \$	YTD 2024 \$	YTD 2023 \$
Total revenue	78,828	62,946	218,427	177,308
Cost of sales	(57,904)	(50,389)	(160,309)	(135,156)
Gross margin	20,924	12,557	58,118	42,152
Depreciation included in cost of sales	3,553	3,113	9,802	9,467
Adjusted gross margin	24,477	15,670	67,920	51,619
Adjusted gross margin percentage	31.1%	24.9%	31.1%	29.1%

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 September 30, 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 September 30, 2024 \$	As at December 31, 2023 \$
Bank indebtedness	-	-
Long-term debt including current portion	118,271	108,500
Lease liabilities including current portion	31,631	30,139
Subtotal debt	149,902	138,639
Lease liabilities including current portion	(31,631)	(30,139)
Total debt	118,271	108,500
Cash and cash equivalents	(24,565)	(34,706)
Net debt	93,706	73,794

(in thousands of U.S. dollars)	As at September 30, 2024 \$	As at December 31, 2023 \$
Inventories	124,459	105,850
Other current assets excluding inventories	83,972	76,113
Current assets	208,431	181,963
Current liabilities	(59,677)	(81,807)
Working capital	148,754	100,156
Working capital current ratio	3.49	2.22

5N+

Enabling
Performance