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## 5N Plus Reports 2023 Third Quarter Financial Results

- On track to deliver strong FY 2023 financial performance and achieve Adjusted EBITDA<sup>1</sup> guidance
- Launch of refreshed logo and website to reflect the 5N Plus of today, a growth-oriented and value-focused global supplier of critical materials

**Montréal, Québec, November 7, 2023** – 5N Plus Inc. (TSX:VNP) (“5N Plus” or the “Company”), a leading global producer of specialty semiconductors and performance materials, today announced its financial results for the third quarter ended September 30, 2023 (“Q3 2023”). All amounts in this press release are expressed in U.S. dollars unless otherwise stated.

“We are pleased with our results year to date. Our commitment to improve our consolidated product mix, coupled with the successful implementation of our commercial excellence program, is reflected in the significant year-to-date increases in Adjusted EBITDA and Adjusted gross margin<sup>1</sup>, as well as our strong backlog<sup>1</sup>. While a timing shift resulted in a softer quarterly Adjusted EBITDA, we remain on track to meet our Adjusted EBITDA targets for this fiscal year – and next.

“As a leading supplier of ultra-high purity specialty semiconductor materials based outside of China, focused on cultivating long-term customer relationships, we are in a strong position heading into 2024, despite ongoing global uncertainty. The Company will continue to benefit from sustained demand from critical sectors of the economy, such as terrestrial renewable energy and space solar power. With our capacity expansion projects on schedule, our investments will enable us to meet contracted demand as the partner of choice in the market,” said Gervais Jacques, President and CEO of 5N Plus.

### Q3 2023 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 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 YTD 2023 was 29.1%, compared to 22.9% YTD 2022.
- On September 30, 2023, the backlog 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.

### Logo and Website Refresh

5N Plus introduced a revamped corporate logo and [website](#) with a clearer and more contemporary appearance to represent the 5N Plus of today. Both now better reflect the Company’s growth strategy and focus on specialty semiconductors and performance materials for critical growth markets.

“As we have shifted away from being a commodity metals business over the past several years towards a more value-added company focused on commercial excellence, it is important from a customer and investor perspective to ensure that our brand image and our website accurately communicate our growth strategy and emphasis on technology and innovation,” added Mr. Jacques.

<sup>1</sup> See Non-IFRS Measures

## Outlook

Management continues to expect demand to remain strong in both the terrestrial renewable energy and space solar power markets under Specialty Semiconductors and in the health and pharmaceutical sector under Performance Materials.

Management is maintaining its previously disclosed Adjusted EBITDA<sup>1</sup> guidance range of between \$35 million and \$40 million for FY 2023 and a projected Adjusted EBITDA range of between \$45 million and \$50 million for FY 2024.

## Conference Call

5N Plus will host a conference call on Wednesday, November 8, 2023 at 8:00 am Eastern Time to discuss results of the third quarter for fiscal 2023. All interested parties are invited to participate in the live broadcast on the Company's website at [www.5nplus.com](http://www.5nplus.com).

To participate in the conference call:

- Toronto area: 416-764-8659
- Toll-Free: 1-888-664-6392
- Enter access code: 21526233

A replay of the conference call will be available two hours after the event and until November 15, 2023. To access the recording, please dial 1-888-390-0541 and enter access code 526233.

## 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 several key industries, including renewable energy, security, space, pharmaceutical, medical imaging and industrial. Headquartered in Montréal, Quebec, 5N Plus operates R&D, manufacturing and commercial centers in strategically located facilities around the world including Europe, North America and Asia.

## Forward-Looking Statements

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 5N Plus' 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 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.

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<sup>1</sup> See Non-IFRS Measures

**5N PLUS INC.**

## INTERIM CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

For the three and nine-month periods ended September 30

**(in thousands of United States dollars, except per share information) (unaudited)**

	Three months		Nine months	
	2023	2022	2023	2022
	\$	\$	\$	\$
<b>Revenue</b>	<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
Selling, general and administrative expenses	<b>6,249</b>	6,468	<b>20,711</b>	21,382
Other expenses (income), net	<b>943</b>	8,935	<b>(1,891)</b>	18,828
	<b>57,581</b>	68,813	<b>153,976</b>	208,016
<b>Operating earnings (loss)</b>	<b>5,365</b>	(2,441)	<b>23,332</b>	(4,835)
<b>Financial expense</b>				
Interest on long-term debt	<b>2,081</b>	1,531	<b>6,254</b>	3,579
Imputed interest and other interest expense	<b>308</b>	290	<b>451</b>	897
Foreign exchange and derivative (gain) loss	<b>(238)</b>	(196)	<b>(497)</b>	539
	<b>2,151</b>	1,625	<b>6,208</b>	5,015
<b>Earnings (loss) before income taxes</b>	<b>3,214</b>	(4,066)	<b>17,124</b>	(9,850)
Income tax expense (recovery)				
Current	<b>2,293</b>	2,158	<b>6,062</b>	6,822
Deferred	<b>(597)</b>	744	<b>(2,053)</b>	(1,819)
	<b>1,696</b>	2,902	<b>4,009</b>	5,003
<b>Net earnings (loss)</b>	<b>1,518</b>	(6,968)	<b>13,115</b>	(14,853)
<b>Basic earnings (loss) per share</b>	<b>0.02</b>	(0.08)	<b>0.15</b>	(0.17)
<b>Diluted earnings (loss) per share</b>	<b>0.02</b>	(0.08)	<b>0.15</b>	(0.17)

Net earnings (loss) are completely attributable to equity holders of 5N Plus Inc.

**5N PLUS INC.**
**INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**(in thousands of United States dollars) (unaudited)**

	September 30 2023	December 31 2022
	\$	\$
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	29,875	42,691
Accounts receivable	38,686	32,872
Inventories	102,344	86,254
Income tax receivable	1,682	5,488
Derivative financial assets	45	-
Other current assets	8,147	19,857
<b>Total current assets</b>	<b>180,779</b>	<b>187,162</b>
Property, plant and equipment	78,604	77,951
Right-of-use assets	28,466	30,082
Intangible assets	29,598	31,563
Goodwill	11,825	11,825
Deferred tax assets	6,729	6,002
Other assets	3,218	3,400
<b>Total non-current assets</b>	<b>158,440</b>	<b>160,823</b>
<b>Total assets</b>	<b>339,219</b>	<b>347,985</b>
<b>Liabilities</b>		
<b>Current</b>		
Trade and accrued liabilities	31,281	40,200
Income tax payable	6,418	8,780
Current portion of deferred revenue	12,453	11,730
Current portion of lease liabilities	2,080	2,136
Current portion of long-term debt	25,000	-
<b>Total current liabilities</b>	<b>77,232</b>	<b>62,846</b>
Long-term debt	83,500	121,000
Deferred tax liabilities	5,749	6,959
Employee benefit plan obligations	11,188	11,643
Lease liabilities	26,977	28,266
Deferred revenue	5,198	2,354
Other liabilities	3,599	2,141
<b>Total non-current liabilities</b>	<b>136,211</b>	<b>172,363</b>
<b>Total liabilities</b>	<b>213,443</b>	<b>235,209</b>
<b>Equity</b>	<b>125,776</b>	<b>112,776</b>
<b>Total liabilities and equity</b>	<b>339,219</b>	<b>347,985</b>

## Non-IFRS Measures

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

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. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

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

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

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. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

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

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