

Earnings Conference Call

Q4 2023

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 Plus Inc. (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. 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, environmental regulations, crisis and climate change management, environmental social and governance (ESG) considerations, safety and hazards, prolonged armed conflict in Ukraine, disease outbreaks, availability and retention of qualified professional 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, privacy, market price of the common shares, as well as grants and other incentive programs. A description of the risks affecting the Company's business and activities appears under the heading "Risk and Uncertainties" of the MD&A dated February 27, 2024.

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 Q4 2023 reached \$65.1 million, compared to \$61.0 million for the same period last year. The 7% increase is primarily attributable to higher demand in the Specialty Semiconductors segment, offset by lower revenue in the Performance Materials segment following the strategic exit from the manufacturing of low-margin extractive and catalytic products in 2022.
- > Net earnings in Q4 2023 were \$2.3 million compared to a net loss of \$8.1 million in Q4 2022. Net earnings in FY 2023 were \$15.4 million in FY 2023 compared to a net loss of \$23.0 million in FY 2022.
- > Adjusted EBITDA¹ in Q4 2023 was \$9.0 million, a 35% increase over the \$6.7 million for the same period last year. Adjusted EBITDA was \$38.3 million in FY 2023, a 28% increase compared to \$30.0 million in FY 2022.
- > Adjusted gross margin¹ in FY 2023 was 29.0%, compared to 23.7% in FY 2022.
- > On December 31, 2023, the backlog¹ represented 292 days of annualized revenue, 8 days higher than the previous quarter and 39 days higher than the same period last year, primarily due to increasing demand in both terrestrial renewable energy and space solar power.
- > Net debt¹ was \$73.8 million as at December 31, 2023, compared to \$78.3 million as at December 31, 2022. Net debt to EBITDA ratio¹ of 1.69x as at December 31, 2023.

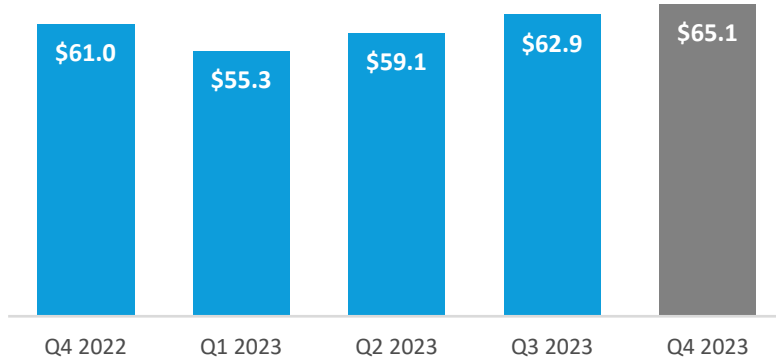
¹ These measures are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. See Non-IFRS Measures for more information.

Revenue

Quarter ended December 31, 2023

Revenue

(IN MILLIONS OF USD)



Revenue – Quarterly Comparison

(IN MILLIONS OF USD)



Revenue in Q4 2023 increased by 7%, reaching \$65.1 million, compared to \$61.0 million for the same period last year. The increase is primarily attributable to the growth experienced under Specialty Semiconductors from the renewable energy and space power sectors, exceeding the lower revenue under Performance Materials following 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 & EBITDA

Quarter ended December 31, 2023

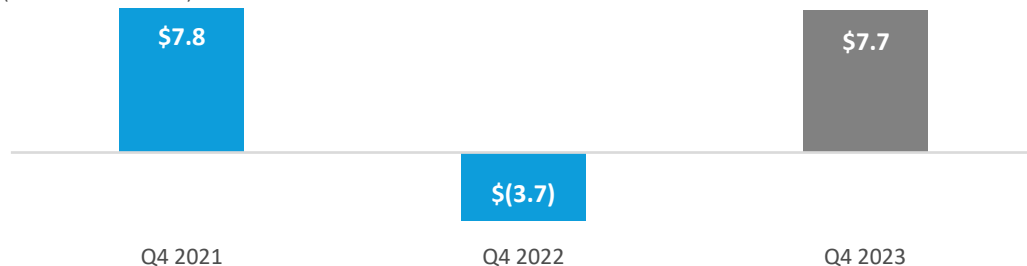
Adjusted EBITDA

(IN MILLIONS OF USD)



EBITDA¹

(IN MILLIONS OF USD)



Adjusted EBITDA in Q4 2023 was \$9.0 million, a 35% increase over the \$6.7 million for the same period last year.

In Q4 2023, EBITDA reached \$7.7 million, compared to negative \$3.7 million in Q4 2022. The increase of \$11.4 million is mainly explained by a loss of divestiture of the Tilly, Belgium operations, as well as higher costs for litigation and restructuring recorded by the Company in Q4 2022.

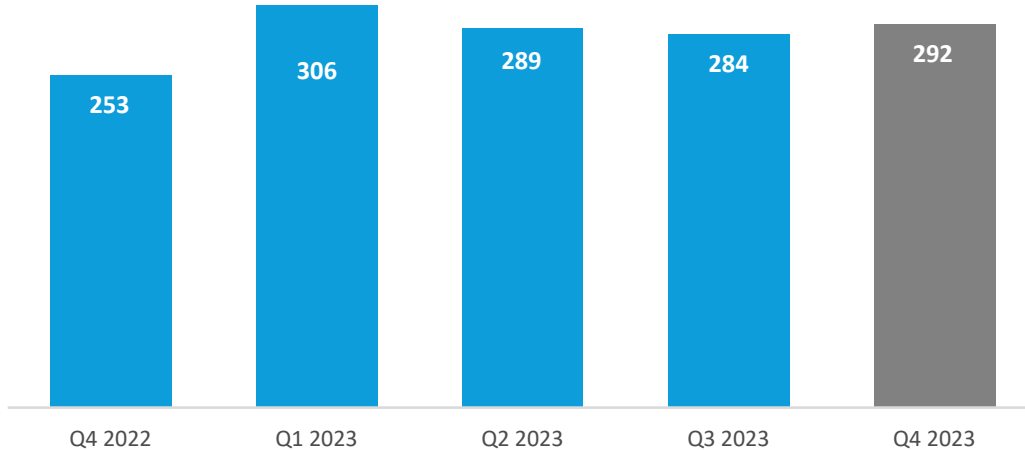
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Backlog

Quarter ended December 31, 2023

Backlog

(IN NUMBER OF DAYS)



On December 31, 2023, the backlog represented 292 days of annualized revenue, 8 days higher than the previous quarter and 39 days higher than the same period last year, primarily due to increasing demand in both terrestrial renewable energy and space solar power.

Bookings¹ for Specialty Semiconductors decreased by 5 days, from 111 days in Q3 2023 to 106 days in Q4 2023. Bookings for Performance Materials increased by 23 days, from 92 days in Q3 2023 to 115 days in Q4 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.

Non-IFRS Measures

Quarter ended December 31, 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 costs (income), impairment of non-current assets, loss on disposal of property, plant and equipment, loss on divestiture of subsidiary, loss on disposal of assets held for sale, 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)	Q4 2023 \$	Q4 2022 \$	FY 2023 \$	FY 2022 \$
Revenues	65,063	61,042	242,371	264,223
Operating expenses	(61,023)	(69,261)	(214,999)	(277,277)
Operating earnings (loss)	4,040	(8,219)	27,372	(13,054)
Share-based compensation expense (recovery)	414	(171)	1,432	999
Litigation and restructuring costs (income)	458	3,210	(8,314)	3,823
Impairment of non-current assets	64	-	672	12,478
Loss on disposal of PPE	-	-	1,051	-
Loss on divestiture of subsidiary	-	7,834	-	7,834
Loss on disposal of assets held for sale	-	-	-	216
Depreciation and amortization	4,057	4,051	16,110	17,732
Adjusted EBITDA	9,033	6,705	38,323	30,028

Non-IFRS Measures

Quarter ended December 31, 2023

EBITDA

EBITDA means net earnings (loss) before interest expenses, income tax (recovery) expense, 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)	Q4 2023 \$	Q4 2022 \$	FY 2023 \$	FY 2022 \$
Net earnings (loss)	2,284	(8,146)	15,399	(22,999)
Interest on long-term debt, imputed interest and other interest expense	2,129	716	8,834	5,192
Income taxes (recovery) expense	(734)	(292)	3,275	4,711
Depreciation and amortization	4,057	4,051	16,110	17,732
EBITDA	7,736	(3,671)	43,618	4,636

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)	Q4 2023 \$	Q4 2022 \$	FY 2023 \$	FY 2022 \$
Total revenue	65,063	61,042	242,371	264,223
Cost of sales	(49,677)	(47,909)	(184,833)	(215,715)
Gross margin	15,386	13,133	57,538	48,508
Depreciation included in cost of sales	3,189	3,155	12,656	14,208
Adjusted gross margin	18,575	16,288	70,194	62,716
Adjusted gross margin percentage	28.5%	26.7%	29.0%	23.7%

Non-IFRS Measures

Quarter ended December 31, 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+ 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+ 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 EBITDA.

(in thousands of U.S. dollars)	As at December 31, 2023 \$	As at December 31, 2022 \$
Bank indebtedness	-	-
Long-term debt including current portion	108,500	121,000
Lease liabilities including current portion	30,139	30,402
Subtotal debt	138,639	151,402
Lease liabilities including current portion	(30,139)	(30,402)
Total debt	108,500	121,000
Cash and cash equivalents	(34,706)	(42,691)
Net debt	73,794	78,309

5N+

Enabling
Performance