

Earnings Conference Call

Q2 2023



5N PLUS
Enabling Performance™

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 six-month periods ended June 30, 2023 and June 30, 2022 available on www.sedar.com.

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 Q2 2023 reached \$59.1 million, compared to \$72.4 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.
- > In Q2 2023, EBITDA¹ was \$17.5 million, compared to \$6.7 million in Q2 2022. The \$10.8 million increase is mainly explained by litigation and restructuring income of \$9.0 million received from the previous shareholder of AZUR as per stipulations of the share purchase agreement.
- > Adjusted EBITDA¹ in Q2 2023 reached \$10.8 million, compared to \$8.6 million for the same period last year, an increase of 26%, with Specialty Semiconductors increasing by 27% to \$8.1 million due to higher demand and Performance Materials increasing by 12% to \$6.2 million due to a more favourable product mix.
- > Adjusted gross margin¹ in Q2 2023 was 32.9%, compared to 22.4% in Q2 2022.
- > On June 30, 2023, the backlog¹ represented 289 days of annualized revenue, 17 days lower than the previous quarter due to the quarterly realization of yearly contracts under Performance Materials and 149 days higher than the same period last year primarily due to demand for terrestrial renewable energy and space solar power.
- > Net debt¹ stood at \$73.4 million as at June 30, 2023, compared to \$78.3 million as at December 31, 2022, representing a decrease of \$4.9 million.

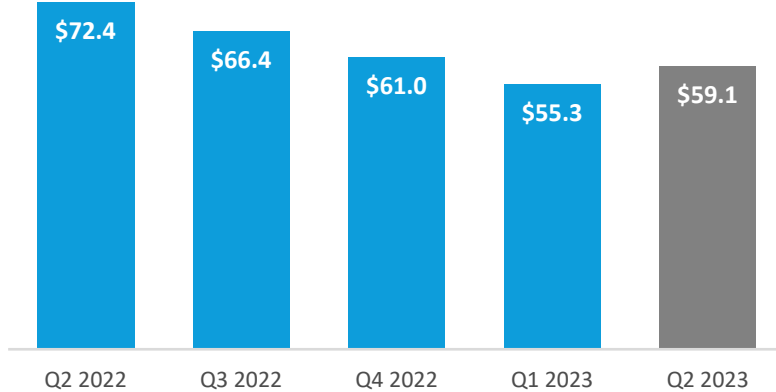
¹See Non-IFRS Measures

Revenue

Quarter ended June 30, 2023

Revenue

(IN MILLIONS OF USD)



Revenue – Quarterly Comparison

(IN MILLIONS OF USD)



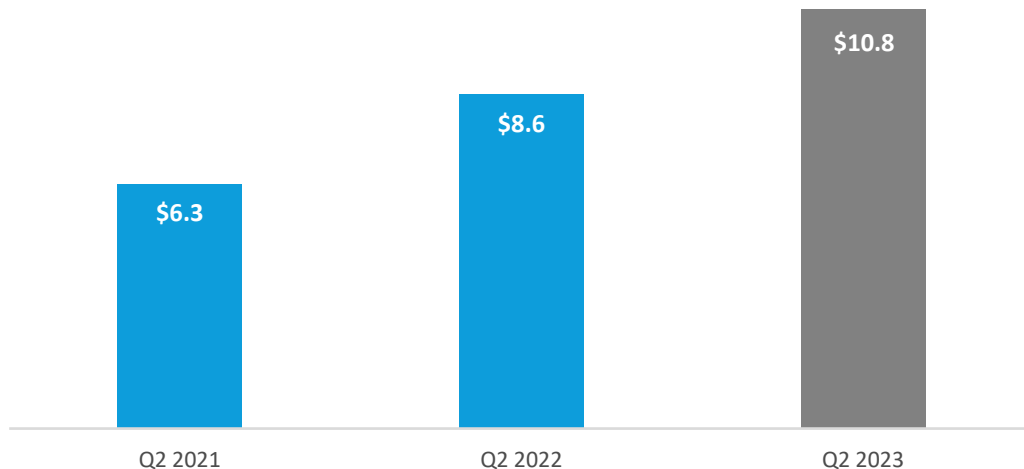
Revenue in Q2 2023 decreased by 18%, reaching \$59.1 million, compared to \$72.4 million for the same period last year. The decrease is primarily attributable to the Company's strategic exit from the manufacturing of low margin extractive and catalytic products in the second half of 2022 and the related divestiture of its Tilly, Belgium operations in Q4 2022.

Adjusted EBITDA

Quarter ended June 30, 2023

Adjusted EBITDA¹

(IN MILLIONS OF USD)



Adjusted EBITDA¹ in Q2 2023 reached \$10.8 million, compared to \$8.6 million for the same period last year, an increase of 26%, with Specialty Semiconductors increasing by 27% to \$8.1 million due to higher demand and Performance Materials increasing by 12% to \$6.2 million due to a more favourable product mix.

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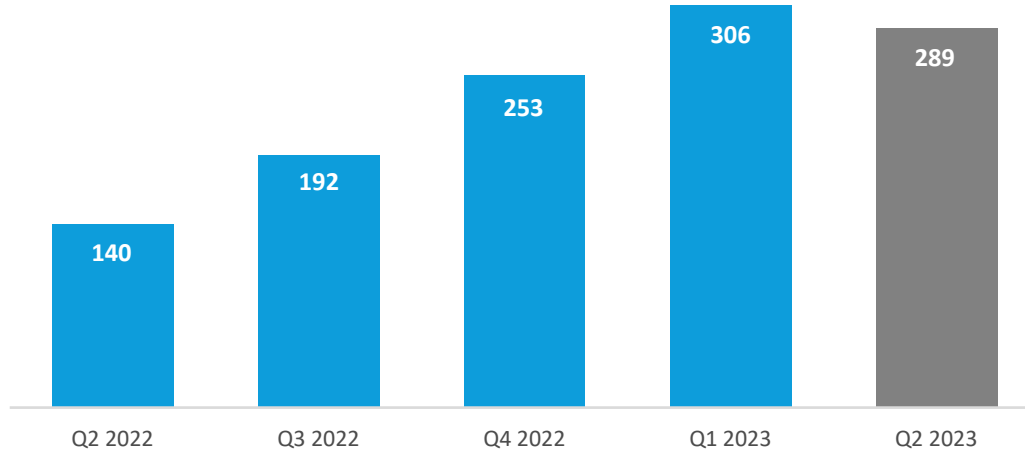
¹ See Non-IFRS Measures

Backlog

Quarter ended June 30, 2023

Backlog¹

(IN NUMBER OF DAYS)



On June 30, 2023, the backlog¹ represented 289 days of annualized revenue, 17 days lower than the previous quarter due to the quarterly realization of yearly contracts under Performance Materials and 149 days higher than the same period last year primarily due to demand for terrestrial renewable energy and space solar power.

Bookings¹ for Specialty Semiconductors decreased by 20 days, from 140 days in Q1 2023 to 120 days in Q2 2023. Bookings for Performance Materials decreased by 32 days, from 84 days in Q1 2023 to 52 days in Q2 2023.

¹ See Non-IFRS Measures

Non-IFRS Measures

Quarter ended June 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, 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)	Q2 2023 \$	Q2 2022 \$	YTD 2023 \$	YTD 2022 \$
Revenues	59,075	72,388	114,362	136,809
Operating expenses	(45,834)	(70,069)	(96,395)	(139,203)
Operating earnings (loss)	13,241	2,319	17,967	(2,394)
Share-based compensation expense	701	1,036	713	1,160
Litigation and restructuring (income) costs	(8,772)	372	(8,772)	372
Impairment of non-current assets	608	-	608	5,386
Loss on disposal of PPE	1,051	-	1,051	-
Depreciation and amortization	4,015	4,856	8,074	9,685
Adjusted EBITDA	10,844	8,583	19,641	14,209

Non-IFRS Measures

Quarter ended June 30, 2023

EBITDA

EBITDA means net earnings (loss) before interest expenses, income taxes, 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)	Q2 2023 \$	Q2 2022 \$	YTD 2023 \$	YTD 2022 \$
Net earnings (loss)	10,143	(2,130)	11,597	(7,885)
Interest on long-term debt, imputed interest and other interest expense	2,056	1,384	4,316	2,655
Income taxes expense	1,316	2,629	2,313	2,101
Depreciation and amortization	4,015	4,856	8,074	9,685
EBITDA	17,530	6,739	26,300	6,556

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)	Q2 2023 \$	Q2 2022 \$	YTD 2023 \$	YTD 2022 \$
Total revenue	59,075	72,388	114,362	136,809
Cost of sales	(42,765)	(60,147)	(84,767)	(114,396)
Gross margin	16,310	12,241	29,595	22,413
Depreciation included in cost of sales	3,152	3,954	6,354	7,859
Adjusted gross margin	19,462	16,195	35,949	30,272
Adjusted gross margin percentage	32.9%	22.4%	31.4%	22.1%

Non-IFRS Measures

Quarter ended June 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 June 30, 2023 \$	As at December 31, 2022 \$
Bank indebtedness	-	-
Long-term debt including current portion	113,500	121,000
Lease liabilities including current portion	30,105	30,402
Subtotal debt	143,605	151,402
Lease liabilities including current portion	(30,105)	(30,402)
Total debt	113,500	121,000
Cash and cash equivalents	(40,087)	(42,691)
Net debt	73,413	78,309



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