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Management Report

Quarter Ended
September 30, 2022

5N PLUS
Enabling Performance™

This Management’s Discussion and Analysis (“MD&A”) of the financial condition and results of operations is intended to assist readers in understanding 5N Plus Inc. (the “Company” or “5N Plus”), its business environment, strategies, performance and risk factors. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements of Q3 2022 and the audited consolidated financial statements and the accompanying notes for the year ended December 31, 2021, based on International Financial Reporting Standards (‘’IFRS’’) as issued by the International Accounting Standards Boards, unless otherwise stated. This MD&A has been prepared in accordance with the requirements of the Canadian Securities Administrators.

All amounts in this MD&A are expressed in U.S. dollars, and all amounts in the tables are in thousands of U.S. dollars, unless otherwise indicated.

Information contained herein includes any significant developments until November 1, 2022, the date on which the MD&A was approved by the Company’s Board of Directors. Unless otherwise indicated, the terms “we”, “us”, “our” and “the group” as used herein refer to the Company together with its subsidiaries. “Q3 2022” and “Q3 2021” refer to the three-month periods ended September 30, 2022 and September 30, 2021, respectively. “YTD 2022” and “YTD 2021” refer to the nine-month periods ended September 30, 2022 and September 30, 2021, respectively.

Non-IFRS Measures

This MD&A contains certain non-IFRS financial measures and ratios, which do not have a standard meaning under IFRS and, therefore, may not be comparable to similar measures presented by other issuers. Such non-IFRS measures and ratios include backlog, bookings, EBITDA, EBITDA margin, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted operating expenses, Adjusted net earnings, Basic adjusted net earnings, Adjusted gross margin, total debt, net debt, working capital and working capital ratio.

For definitions, further information and reconciliation of these measures to the most directly comparable measures under IFRS, see the “Non-IFRS Measures” section.

Notice Regarding Forward-Looking Statements

Certain statements in this MD&A 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’ 2021 MD&A dated February 22, 2022 and note 11 of the unaudited condensed interim consolidated financial statements for the three and nine-month periods ended September 30, 2022 and September 30, 2021 available on www.sedar.com.

The Company is not aware of any significant changes to its risk factors previously disclosed. However, in February 2022, Russian military forces invaded Ukraine; the invasion is being actively resisted by Ukrainian military personnel and the people of Ukraine, and the outcome of the ongoing conflict is uncertain at this time. Although AZUR SPACE Solar Power GmbH (“AZUR”), a subsidiary of the Company, had sales in Russia in the past, the amount of such sales is not material to the Company as a whole. A prolonged armed conflict in Ukraine or an expansion of the armed conflict to other European countries could have a negative impact on the European and global economies. As well, Russia is a major exporter of oil and natural gas. Any disruption of supplies of oil and natural gas from Russia could have a significant adverse effect on the European and world economies. All the foregoing factors could potentially have a negative effect on the Company’s sales and results of operations.

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 MD&A 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 MD&A 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.

Adjustment of Comparative Results
Certain comparative results in this MD&A have been adjusted to reflect changes to our Reporting Segments. Please refer to the "Reporting Segments" section for more information.

Overview
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' 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, Québec, 5N Plus operates R&D, manufacturing and commercial centers in strategically located facilities around the world including Europe, North America and Asia.

Vision, Mission and Values
The Company's vision is to enable critical industries through essential products based on advanced material technology and 5N Plus' aim is to propel the growth of these markets by developing and manufacturing advanced materials to enable product performance.

The Company's mission is to be critical to its customers, valued by its employees and trusted by its shareholders. The Company's core values are integrity, commitment and customer development, with an emphasis on sustainable development, continuous improvement, and health and safety.

Reporting Segments
Following the acquisition of AZUR SPACE Solar Power GmbH ("AZUR") on November 5, 2021, and the subsequent integration of its activities within the Company's operations, 5N Plus repositioned certain products and applications between its two reportable segments effective in the fourth quarter of 2021.

The Company has two new reportable segments: Specialty Semiconductors and Performance Materials. Corresponding operations and activities are managed accordingly by the Company's key decision makers. Segmented operating and financial information and labelled key performance indicators are available and used to manage these business segments, review performance and allocate resources. Financial performance of any given segment is evaluated primarily in terms of revenues and Adjusted EBITDA[1], which are reconciled to consolidated numbers considering corporate income and expenses.

Operating in North America and Europe, the Specialty Semiconductors segment is similar to the former Electronic Materials segment and integrates the products and operations of AZUR since November 5, 2021. The segment manufactures and sells products used in several applications, such as renewable energy, space satellites and imaging. Typical end markets include photovoltaics (terrestrial and spatial solar energy), medical imaging, infrared imaging, optoelectronics and advanced electronics. These products are sold either as semiconductor compounds, semiconductor wafers, ultra high purity metals, epitaxial semiconductor substrates and solar cells. Revenues and earnings associated with recycling services and activities provided to Specialty Semiconductors customers are captured in this segment.

The Performance Materials segment operates in North America, Europe and Asia and is similar to the former Eco-Friendly Materials segment. The segment manufactures and sells products that are used in several applications in pharmaceutical and healthcare, industrial, and catalytic and extractive. Main products are sold as active pharmaceutical ingredients, animal feed additives, specialized chemicals, commercial grade metals, alloys and engineered powders. All commercial grade metal and engineered powder sales have been regrouped under Performance Materials. Revenues and earnings associated with recycling services and activities provided to Performance Materials customers are captured in this segment.

Corporate expenses associated with the head office and unallocated selling, general and administrative expenses (SG&A), together with financial expenses (income), are grouped under "Corporate".

[1] See Non-IFRS Measures

Q3 2022 Highlights

Reaping the benefits of its disciplined and focused commercial excellence strategy, the Company's key business sectors continued to outperform, boosting Adjusted EBITDA[1] for the quarter despite macro-economic and geopolitical uncertainties. Long-term growth will be supported by the strategic partnerships secured in the renewable energy and space sectors.

In Q3 2022, the Company achieved significant revenue and Adjusted EBITDA growth compared to Q3 2021, supported by strong demand in Specialized Semiconductors for renewable energy and space applications, following the strategic acquisition of AZUR in November 2021.

The Performance Materials segment continues to deliver an outstanding performance, significantly above the same quarter last year, supported by dynamic pricing adjustments to mitigate the impact of inflation, and improved operational competitiveness for pharmaceutical and health products.

The recently secured historical supply agreement with renewable energy leader First Solar confirms the Company is entering a unique period to support the world's clean energy transition and other technological advancements. In particular, the Company will be initiating production capacity ramp-up for semiconductor materials to address rapidly increasing demand in the renewable energy, solar space and medical imaging markets.

After several years of collaboration between AZUR and Sierra Space, and historically high demand levels for solar cells in the space industry, the Company was proud to begin a long-term strategic commercial agreement with Sierra Space at the forefront of space innovation, as announced subsequent to quarter-end. Under the terms of this agreement, AZUR will produce a newly developed solar cell, referred to as the MWT, for use in the production of Sierra Space's unique space solar surface mount technology solar array systems. This technology will enable automated production and assembly of solar arrays.

The Company continues to approach business opportunities with discipline in terms of partners and project selection. To strategically position itself over the mid-term, the Company is promoting the first wave of its commercial excellence program and new go-to-market strategy, focused on a segmented approach to commercial partnering and value pricing.

As mentioned in the previous quarter, management is pleased with the progress of the St-Laurent project (Montréal, Canada), aimed at expanding the development and manufacturing of critical and strategic minerals for advanced II-VI based semiconductors, despite delays due to contractor availability and delayed equipment deliveries. The project is now expected to be completed and commissioned during Q4 2022.

Compatible with 5N Plus' long-term strategy to position the Company for growth in value-added markets, the strategic review of its operations remained ongoing during the third quarter. The process associated with the Company's previously announced intention to cease activities at its Tilly, Belgium site continues to follow its course per applicable Belgian labour laws. Management will keep the market informed of any important developments as it continues to pursue this process.

[1] See Non-IFRS Measures

All amounts are expressed in U.S. dollars.

Financial Highlights

- Revenue in Q3 2022 increased by 31%, reaching $66.4 million, compared to $50.8 million for the same period last year, supported by higher demand in Specialty Semiconductors, as well as pharmaceutical and health in Performance Materials.

- Adjusted EBITDA[1] in Q3 2022 reached $9.1 million, compared to $5.5 million for the same period last year. Adjusted EBITDA increased by $2.5 million under Specialty Semiconductors and $1.7 million under Performance Materials, despite the impact of inflation, supported by a favorable product mix.

- The Company recorded an initial non-cash impairment of $7.1 million on non-current assets in Q3 2022 upon winding down its low-margin lead-based product manufacturing activities in Tilly, Belgium.

- On September 30, 2022, the backlog[1] represented 192 days of annualized revenue, 52 days higher than the previous quarter. The increase in the backlog is attributable to favorable negotiations of long-term contracts under Specialty Semiconductors, confirming the near-term growth potential in renewable energy and space applications.

- Net debt[1] stood at $83.3 million on September 30, 2022, down from $89.6 million at the end of last quarter.

Q3 2022 and Subsequent Developments

- Effective September 1, 2022, Mr. Roland Dubois was appointed Chief Commercial Officer ("CCO"), responsible for leading the Company's commercial excellence program and go-to-market strategy. Mr. Roland Dubois also assumed the leadership of the Specialty Semiconductors Segment as its Executive Vice President, replacing Jürgen Heizmann.

- On September 29, 2022, 5N Plus announced it had successfully renewed and increased its multi-year agreement with First Solar for the supply of semiconductor materials associated with the manufacturing of thin-film photovoltaic (PV) modules. It is the largest award to date and expected to increase 5N Plus volumes by 35% in 2023 and by more than 100% in 2024, in line with First Solar's own growth plans.

- On October 17, 2022, 5N Plus announced that, through its subsidiary AZUR, it had signed a ten-year exclusive strategic partnership with Sierra Space for the production of a new solar cell, referred to as the MWT, for use in the production of Sierra Space's unique Space Solar Surface Mount Technology solar array systems. This innovation and agreement come at a time when demand for solar power for space applications is rapidly accelerating and expected to exceed current available capacity. 5N Plus sales to Sierra Space are anticipated to reach $10 million in 2023 and over $20 million in 2024, incremental to the current sales of AZUR.

Outlook

Capitalizing on our segmented approach to commercial partnering and value pricing, 5N Plus believes it is advantageously positioned in fast-growing markets, which are expected to sustain well above double-digit growth rates over the coming years. Specifically, the Company expects high growth in the renewable energy and space sectors, supported by growing demand in both North America and Europe, and in medical imaging applications. Growth in the latter market is supported by technology advancement and medical imaging equipment manufacturers introducing photon counting detectors to replace scintillator technology, allowing significantly lower radiation and improved image enhancing diagnostic accuracy.

As previously disclosed, one of the Company's key priorities is to ensure the successful integration of AZUR, which is progressing as planned under the supervision of newly appointed Roland Dubois as Executive Vice President, Specialty Semiconductors and CCO.

5N Plus is ideally positioned to not only navigate through the current environment, but also emerge stronger and uniquely positioned in relevant markets with recognized expertise and more competitive than ever.

[1] See Non-IFRS Measures

Summary of Results

(in thousands of U.S. dollars, except per share amounts)	**Q3 2022**	Q3 2021	**YTD 2022**	YTD 2021
	$	$	**$**	$
Revenue	**66,372**	50,839	**203,181**	145,434
Adjusted operating expenses[1]*	**(57,258)**	(45,302)	**(179,858)**	(127,281)
Adjusted EBITDA[1]	**9,114**	5,537	**23,323**	18,153
Impairment of inventories	**-**	-	**-**	-
Impairment of non-current assets	**(7,092)**	-	**(12,478)**	-
Share-based compensation expense	**(10)**	(62)	**(1,170)**	(1,149)
Litigation and restructuring costs	**(241)**	(500)	**(613)**	(500)
Loss on disposal of assets held for sale	**(216)**	-	**(216)**	-
Foreign exchange and derivative gain (loss)	**196**	130	**(539)**	662
EBITDA[1]	**1,751**	5,105	**8,307**	17,166
Interest on long-term debt, imputed interest and other interest expense	**1,821**	961	**4,476**	2,549
Depreciation and amortization	**3,996**	2,971	**13,681**	8,171
(Loss) earnings before income taxes	**(4,066)**	1,173	**(9,850)**	6,446
Income tax expense (recovery)				
Current	**2,158**	1,904	**6,822**	4,134
Deferred	**744**	61	**(1,819)**	182
	2,902	1,965	**5,003**	4,316
Net (loss) earnings	**(6,968)**	(792)	**(14,853)**	2,130
Basic (loss) earnings per share	**($0.08)**	($0.01)	**($0.17)**	$0.03
Diluted (loss) earnings per share	**($0.08)**	($0.01)	**($0.17)**	$0.03

**Excluding impairment of inventories, impairment of non-current assets, share-based compensation expense, litigation and restructuring costs, loss on disposal of assets held for sale, and depreciation and amortization.*

Revenue by Segment and Adjusted Gross Margin

(in thousands of U.S. dollars)	**Q3 2022**	Q3 2021	Change	**YTD 2022**	YTD 2021	Change
	$	$		**$**	$	
Specialty Semiconductors	**32,022**	15,690	104%	**89,967**	40,495	122%
Performance Materials	**34,350**	35,149	(2%)	**113,214**	104,939	8%
Total revenue	**66,372**	50,839	31%	**203,181**	145,434	40%
Cost of sales	**(53,410)**	(42,587)	25%	**(167,806)**	(118,124)	42%
Depreciation included in cost of sales	**3,194**	2,597	23%	**11,053**	7,024	57%
Adjusted gross margin[1]	**16,156**	10,849	49%	**46,428**	34,334	35%
Adjusted gross margin percentage[1]	**24.3%**	21.3%		**22.9%**	23.6%	

Comparative results have been adjusted to reflect a change in our reporting segments

Revenue in Q3 2022 increased by 31%, reaching $66.4 million, compared to $50.8 million for the same period last year, supported by higher demand in Specialty Semiconductors, as well as pharmaceutical and health in Performance Materials.

Adjusted gross margin[1] in Q3 2022 was favorably impacted by the product mix, reaching $16.2 million, or 24.3%, compared to $10.8 million, or 21.3%, in Q3 2021. In YTD 2022, Adjusted gross margin was favorably impacted by volume, reaching $46.4 million, or 22.9%, compared to $34.3 million, or 23.6%, in YTD 2021. The Adjusted gross margin percentage was mainly impacted by inflation and ongoing supply challenges.

[1] See Non-IFRS Measures

Specialty Semiconductors Segment
Revenue in Q3 2022 increased by 104%, reaching $32.0 million, compared to $15.7 million in Q3 2021. In YTD 2022, revenue was $90.0 million, compared to $40.5 million in the same period last year, supported by higher demand, over and above the contribution from AZUR.

Adjusted gross margin[1] in Q3 2022 was 28.8%, compared to 32.5% in Q3 2021. In YTD 2022, Adjusted gross margin was 27.1%, compared to 33.1% in YTD 2021, mainly explained by a less favorable product mix for the period, as well as inflation.

Performance Materials Segment
Revenue in Q3 2022 reached $34.4 million, compared to $35.1 million in Q3 2021. In YTD 2022, revenue was $113.2 million, compared to $104.9 million in the same period last year, favorably impacted by product mix and price increases.

Adjusted gross margin in Q3 2022 was 20.6%, compared to 16.4% in Q3 2021, favorably impacted by product mix and price increases. In YTD 2022, Adjusted gross margin was 19.9%, compared to 20.2% in YTD 2021.

Operating (Loss) Earnings, EBITDA and Adjusted EBITDA

(in thousands of U.S. dollars)	**Q3 2022**	Q3 2021	Change	**YTD 2022**	YTD 2021	Change
	$	$		**$**	$	
Specialty Semiconductors	**6,547**	4,041	62%	**18,628**	10,513	77%
Performance Materials	**5,090**	3,384	50%	**13,280**	13,798	(4%)
Corporate	**(2,523)**	(1,888)	34%	**(8,585)**	(6,158)	39%
Adjusted EBITDA[1]	**9,114**	5,537	65%	**23,323**	18,153	28%
EBITDA[1]	**1,751**	5,105	(66%)	**8,307**	17,166	(52%)
Operating (loss) earnings	**(2,441)**	2,004	(222%)	**(4,835)**	8,333	(158%)

Comparative results have been adjusted to reflect a change in our reporting segments

Adjusted EBITDA[1] in Q3 2022 reached $9.1 million, compared to $5.5 million in the same period last year. Adjusted EBITDA increased by $2.5 million under Specialty Semiconductors and $1.7 million under Performance Materials, despite the impact of inflation, supported by a favorable product mix.

In Q3 2022, EBITDA[1] was $1.8 million, compared to $5.1 million in Q3 2021. The decrease is mainly explained by a non-cash impairment charge on non-current assets of $7.1 million associated with the Company's intention to exit production of low-margin lead-based products at its Tilly, Belgium site. In YTD 2022, EBITDA was $8.3 million, compared to $17.2 million. During Q1 2022, the Company recorded a non-cash impairment charge on non-current assets of $5.4 million to reflect the assessment of the carrying value of intangible assets impacted by the Russia/Ukraine conflict, more precisely in reference to Russia-based customers.

In Q3 2022, operating loss amounted to $2.4 million, compared to operating earnings of $2.0 million in Q3 2021. In YTD 2022, operating loss amounted to $4.8 million, compared to operating earnings of $8.3 million in YTD 2021. The decreases are mainly explained by the same reasons mentioned above.

Specialty Semiconductors Segment
Adjusted EBITDA in Q3 2022 increased by $2.5 million to $6.5 million, representing an Adjusted EBITDA margin[1] of 20%, compared to 26% in Q3 2021. Adjusted EBITDA in YTD 2022 increased by $8.1 million to $18.6 million, representing an Adjusted EBITDA margin of 21%, compared to 26% for the same period in 2021.

Performance Materials Segment
Adjusted EBITDA in Q3 2022 increased by $1.7 million to $5.1 million representing an Adjusted EBITDA margin of 15%, compared to 10% in Q3 2021. Adjusted EBITDA in YTD 2022 decreased by $0.5 million to $13.3 million, representing an Adjusted EBITDA margin of 12%, similar to the same period in 2021.

[1] See Non-IFRS Measures

Net (Loss) Earnings and Adjusted Net Earnings (Loss)

(in thousands of U.S. dollars, except per share amounts)	Q3 2022	Q3 2021	YTD 2022	YTD 2021
	$	$	**$**	$
Net (loss) earnings	**(6,968)**	(792)	**(14,853)**	2,130
Basic (loss) earnings per share	**($0.08)**	($0.01)	**($0.17)**	$0.03
Reconciling items:				
Impairment of non-current assets	**7,092**	-	**12,478**	-
Share-based compensation expense	**10**	62	**1,170**	1,149
Litigation and restructuring costs	**241**	500	**613**	500
Loss on disposal of assets held for sale	**216**	-	**216**	-
Income tax recovery on taxable items above	**(71)**	(16)	**(2,023)**	(304)
Adjusted net earnings (loss)[1]	**520**	(246)	**(2,399)**	3,475
Basic adjusted net (loss) earnings per share[1]	**$-**	$-	**($0.03)**	$0.04

In Q3 2022, net loss was $7.0 million or $0.08 per share, compared to $0.8 million or $0.01 per share in Q3 2021. Adjusted net earnings[1] was $0.5 million or $nil per share in Q3 2022, compared to Adjusted net loss[1] of $0.2 million or $nil per share in Q3 2021.

In YTD 2022, net loss was $14.9 million or $0.17 per share, compared to net earnings of $2.1 million or $0.03 per share in YTD 2021. Adjusted net loss was $2.4 million or $0.03 per share in YTD 2022, compared to Adjusted net earnings of $3.5 million or $0.04 per share, in YTD 2021.

Excluding the income tax recovery, the items reconciling Adjusted net earnings in Q3 2022 and Adjusted net loss in YTD 2022 are the share-based compensation expense, litigation and restructuring costs, a non-cash impairment charge on non-current assets and a loss on disposal of assets held for sale. For more information, see the "Expenses" section.

Backlog and Bookings

	BACKLOG[1]			**BOOKINGS[1]**		
(in thousands of U.S. dollars)	**Q3 2022**	Q2 2022	Q3 2021	**Q3 2022**	Q2 2022	Q3 2021
	$	$	$	**$**	$	$
Specialty Semiconductors	**104,336**	65,345	41,343	**71,013**	22,790	17,574
Performance Materials	**35,054**	45,445	55,338	**23,959**	21,704	25,766
Total	**139,390**	110,790	96,681	**94,972**	44,494	43,340

Comparative results have been adjusted to reflect a change in our reporting segments

	BACKLOG[1]			**BOOKINGS[1]**		
(number of days based on annualized revenues) *	**Q3 2022**	Q2 2022	Q3 2021	**Q3 2022**	Q2 2022	Q3 2021
Specialty Semiconductors	**297**	195	240	**202**	68	102
Performance Materials	**93**	99	144	**64**	47	67
Weighted average	**192**	140	174	**131**	56	78

Comparative results have been adjusted to reflect a change in our reporting segments
** Backlog and bookings are also presented in number of days to normalize the impact of commodity prices.*

Q3 2022 vs Q2 2022

Backlog[1] on September 30, 2022, represented 192 days of annualized revenue, an increase of 52 days or 37% over the backlog on June 30, 2022. The increase in the backlog is attributable to favorable negotiations of long-term contracts under Specialty Semiconductors, confirming the near-term growth potential in renewable energy and space applications.

Backlog on September 30, 2022, for Specialty Semiconductors represented 297 days of annualized segment revenue, an increase of 102 days, or 52%, over the backlog on June 30, 2022. The backlog for Performance Materials represented 93 days of annualized segment revenue, a decrease of 6 days, or 6%, over the backlog on June 30, 2022. The decrease under Performance Materials is mainly associated with the Company's intention to halt production at its manufacturing facility in Tilly, Belgium for low-margin products in 2023.

[1] See Non-IFRS Measures

Bookings[1] for Specialty Semiconductors increased by 134 days, from 68 days in Q2 2022 to 202 days in Q3 2022. Bookings for Performance Materials increased by 17 days, from 47 days in Q2 2022 to 64 days in Q3 2022. Bookings are calculated by adding revenues to the increase or decrease in backlog[1] for the period divided by annualized year revenues. As such, the increase or decrease in bookings is attributable to the same factors as the increase or decrease in backlog.

Q3 2022 vs Q3 2021

Backlog on September 30, 2022, for Specialty Semiconductors increased by 57 days, largely attributable to favorable negotiations of long-term contracts under Specialty Semiconductors, confirming the near-term growth potential in renewable energy and space applications. The backlog for Performance Materials decreased by 51 days, compared to September 30, 2021, reaching 93 days, compared to 144 days in Q3 2021. The decrease is mainly associated with the Company's intention to halt production of low-margin products in 2023.

Bookings for Specialty Semiconductors increased by 100 days for the same factors mentioned above, and decreased by 3 days for Performance Materials, compared to the previous year quarter.

Expenses

(in thousands of U.S. dollars)	**Q3 2022**	Q3 2021	**YTD 2022**	YTD 2021
	$	$	**$**	$
Depreciation and amortization	**3,996**	2,971	**13,681**	8,171
SG&A	**6,468**	4,729	**21,382**	14,858
Impairment of non-current assets	**7,092**	-	**12,478**	-
Loss on disposal of assets held for sale	**216**	-	**216**	-
Share-based compensation expense	**10**	62	**1,170**	1,149
Litigation and restructuring costs	**241**	500	**613**	500
Financial expense	**1,625**	831	**5,015**	1,887
Income tax expense	**2,902**	1,965	**5,003**	4,316
Total expenses	**22,550**	11,058	**59,558**	30,881

Depreciation and Amortization

Depreciation and amortization expenses in Q3 2022 and YTD 2022 amounted to $4.0 million and $13.7 million, respectively, compared to $3.0 million and $8.2 million, respectively, for the same periods in 2021. The increase in Q3 2022 and YTD 2022 are mainly explained by the increase in property, plant and equipment ("PPE"), intangible assets and right-of-use assets following the acquisition of AZUR in Q4 2021.

SG&A

SG&A expenses in Q3 2022 and YTD 2022 were $6.5 million and $21.4 million, respectively, compared to $4.7 million and $14.9 million, respectively, for the same periods in 2021. The increases are mainly explained by the acquisition of AZUR in Q4 2021, as well as general inflation impacting various expenses and easing of restrictions related to COVID-19.

Impairment of Non-current Assets

In Q3 2022, the Company recorded a non-cash impairment charge on non-current assets of $7.1 million ($2.4 million for buildings, $4.6 million for machinery and $0.1 million for furniture and fixtures), included in the Performance Materials segment, to reflect the assessment of the carrying value of PPE following the intention to halt production at its manufacturing facility in Tilly, Belgium.

In Q1 2022, the Company recorded a non-cash impairment charge on non-current assets of $5.4 million ($5.1 million for customer relationships and $0.3 million for other intangibles), included in the Specialty Semiconductors segment, to reflect the assessment of the carrying value of intangible assets impacted by the Russia/Ukraine conflict, more precisely in reference to Russia-based customers. The impairment charge resulted from the fact that the Company's initial assumptions regarding the timing of future cashflows from these customers can no longer be supported given the uncertainty associated with recent international sanctions against Russia and the unknown duration of the conflict.

[1] See Non-IFRS Measures

Loss on Disposal of Assets Held for Sale

In Q3 2022, the Company recorded a loss of $0.2 million on the disposal of assets held for sale. The asset, previously presented as held for sale within the Specialty Semiconductors segment, pertains to a building reclassification of $3.0 million in Q2 2022. The reclassification relates to the planned relocation of operations to Canada from one of the Company's subsidiaries in Asia, announced in the third quarter of 2020.

Share-based Compensation Expense

Share-based compensation expense in Q3 2022 amounted to $nil million, compared to $0.1 million in Q3 2021. In YTD 2022, share-based compensation expense amounted to $1.2 million, compared to $1.1 million in the same period in 2021.

Litigation and Restructuring Costs

In Q3 2022, following a change to its senior executive management, the Company recorded litigation and restructuring costs of $0.2 million. In Q2 2022, the Company recorded $0.4 million related to the settlement of a contract by mutual agreement, for total litigation and restructuring costs of $0.6 million in YTD 2022.

In Q3 2021, a provision for restructuring costs was recorded for an amount of $0.5 million, which consists of severances and other related costs to site closure of one of the Company's subsidiaries situated in Asia.

Financial Expense

Financial expense in Q3 2022 amounted to $1.6 million, compared to $0.8 million in Q3 2021. The negative impact is mainly due to the interest on long-term debt and imputed interest, which is higher following the acquisition of AZUR, as well as the significant increase in interest rate noticed in Q3 2022.

In YTD 2022, financial expense amounted to $5.0 million, compared to $1.9 million in YTD 2021. The negative impact is mainly due to the same reasons mentioned above, combined with a loss on foreign exchange and derivatives this year while the Company recorded a gain in the same period last year.

Income Taxes

The Company reported a loss before income taxes of $4.1 million in Q3 2022 and $9.9 million in YTD 2022. Income tax expense in Q3 2022 and YTD 2022 was $2.9 million and $5.0 million, respectively, compared to $2.0 million and $4.3 million, respectively, in the same periods in 2021. Both periods were impacted by deferred tax assets applicable only in certain jurisdictions.

Liquidity and Capital Resources

(in thousands of U.S. dollars)	**Q3 2022**	Q3 2021	**YTD 2022**	YTD 2021
	$	$	**$**	$
Funds from operations before the following	**2,055**	2,394	**8,020**	10,949
Net changes in non-cash working capital items	**8,077**	2,793	**2,316**	(3,050)
Cash from operating activities	**10,132**	5,187	**10,336**	7,899
Cash used in investing activities	**(3,259)**	(2,312)	**(10,099)**	(7,314)
Cash (used in) from financing activities	**(3,267)**	(189)	**4,717**	(6,703)
Effect of foreign exchange rate changes on cash and cash equivalents	**129**	(395)	**(722)**	(677)
Net increase (decrease) in cash and cash equivalents	**3,735**	2,291	**4,232**	(6,795)

In Q3 2022, cash generated by operating activities amounted to $10.1 million, compared to $5.2 million in Q3 2021. In YTD 2022, cash generated by operating activities amounted to $10.3 million, compared to $7.9 million in YTD 2021. The increase in YTD 2022 was due to the positive changes in non-cash working capital.

In Q3 2022, cash used in investing activities totaled $3.3 million, compared to $2.3 million in Q3 2021. In YTD 2022, cash used in investing activities totaled $10.1 million, compared to $7.3 million in YTD 2021, mainly attributed to the timing of additions to PPE, such as St-Laurent project in Montréal (Canada), which was partially mitigated by the proceeds of $2.8 million from the disposal of assets held for sale in Q3 2022. During Q1 2021, the Company acquired a minority equity stake in Microbion Corporation for $2.0 million.

In Q3 2022, cash used in financing activities amounted to $3.3 million, compared to $0.2 million in Q3 2021. The increase of $3.1 million was mainly explained by the reimbursement of $2.5 million of the credit facility in Q3 2022 and an increase in lease payments. In YTD 2022, cash generated by financing activities amounted to $4.7 million, compared to cash used in financial activities of $6.7 million in YTD 2021, mainly explained by the difference in the net drawdown of the credit facility during the periods.

Working Capital

(in thousands of U.S. dollars)	**As at September 30, 2022**	As at December 31, 2021
	$	$
Inventories	**89,821**	95,526
Other current assets	**101,324**	99,996
Current liabilities	**(56,959)**	(65,059)
Working capital[1]	**134,186**	130,463
Working capital current ratio[1]	**3.36**	3.01

The increase of $3.7 million in working capital[1], as compared to December 31, 2021, was mainly attributable to lower current liabilities, partially mitigated by lower inventories.

Net Debt

(in thousands of U.S. dollars)	**As at September 30, 2022**	As at December 31, 2021
	$	$
Bank indebtedness	**-**	-
Long-term debt including current portion	**123,500**	116,000
Total Debt[1]	**123,500**	116,000
Cash and cash equivalents	**(40,172)**	(35,940)
Net Debt[1]	**83,328**	80,060

Total debt[1] stood at $123.5 million on September 30, 2022, from $116.0 million at the end of last year, following a new drawdown of $10.0 million in Q2 2022 and a reimbursement of $2.5 million in Q3 2022 from the credit facility.

Net debt[1], after considering cash and cash equivalents, increased by $3.3 million to $83.3 million on September 30, 2022, from $80.1 million on December 31, 2021, reflecting additional working capital required at this time of the year.

In June 2022, the Company signed a senior secured multi-currency revolving credit facility of $124.0 million, maturing in April 2026, to replace its existing $124.0 million senior secured revolving facility, maturing in April 2023. At any time, the Company has the option to request that the credit facility be expanded through the exercise of an additional $30.0 million accordion feature, subject to review and approval by the lenders. This revolving credit facility can be drawn in US dollars, Canadian dollars or Hong Kong dollars (up to $4.0 million). Drawings bear interest at either the Canadian prime rate, US base rate, Hong Kong base rate or SOFR, plus a margin based on the Company's senior net debt to consolidated EBITDA[1] ratio. Under the terms of its credit facility, the Company is required to satisfy certain restrictive covenants as to financial ratios. As at September 30, 2022 and December 31, 2021, the Company had met all covenants.

Share Information

	As at November 1, 2022	As at September 30, 2022
Issued and outstanding shares	**88,330,236**	88,330,236
Stock options potentially issuable	**1,598,938**	1,598,938

[1] See Non-IFRS Measures

Off-balance Sheet Arrangements

The Company is exposed to currency risk on sales in Euro and other currencies, as well as interest rate fluctuations on its credit facility, and, therefore, may periodically enter into foreign currency forward contracts and interest rate or foreign currency swap contracts to protect itself against interest rate and currency fluctuations. The reader will find more details related to these contracts in Notes 17 and 25 of the audited consolidated financial statements for the year ended December 31, 2021.

Commitments

As at September 30, 2022, in the normal course of business, the Company contracted letters of credit for an amount of $0.6 million ($1.0 million as at December 31, 2021).

Contingencies

In the normal course of operations, the Company is exposed to events that could give rise to contingent liabilities or assets. As at the date of issue of the consolidated financial statements, the Company was not aware of any significant events that would have a material effect on its consolidated financial statements.

Acquisition of AZUR

On November 5, 2021, the Company acquired all of the issued and outstanding shares of AZUR for a purchase price of 50.1 million euros, subject to post-closing adjustments. The consideration transferred was comprised of 6.5 million shares of 5N Plus, which were issued from the treasury at 12.4 million euros, along with a cash payment of 37.7 million euros. Furthermore, the Company financed the working capital and equipment loans for an amount of 23.8 million euros. The cash portion of the transaction was funded through the Company's liquidity and senior debt facility.

Located in Heilbronn, Germany, AZUR is a global leader and develops and manufactures multi-junction solar cells based on III-V compound semiconductor materials. The integration of AZUR has not only expanded the Company's position within renewable energy, but has also established 5N Plus as a reliable and competitive supplier to the European and U.S. space programs through Canada's membership in the European Space Agency (ESA).

To estimate the fair value of the intangible assets, management used the excess earnings method to value customer relationships and the royalty relief method to value technology and trade names using discounted cash flow models. Management developed significant assumptions related to revenue and gross margin forecasts, customer retention rates, royalty rates and discount rates.

The table below presents the Company’s adjusted preliminary assessment of the fair values of the assets acquired and liabilities assumed as at September 30, 2022. The Company has not restated the consolidated statement of financial position as at December 31, 2021 as the adjustments were deemed not material. The Company also determined that the net impact on net earnings as a result of these adjustments was not material for the year ended December 31, 2021, and, as such, were accounted for in the consolidated statement of earnings for the nine-month period ended September 30, 2022.

Identified assets acquired and liabilities assumed	(in thousands of U.S. dollars)		
	Preliminary	Adjustments	Adjusted Preliminary
	$	$	$
Cash and cash equivalents	1,017	-	1,017
Accounts receivable	8,342	1,057	9,399
Inventories	21,394	(1,057)	20,337
Other current assets	256	-	256
Property, plant and equipment	31,128	3,627	34,755
Right-of-use assets	21,626	(938)	20,688
Intangible assets	32,144	(973)	31,171
Other assets	5	-	5
Goodwill	13,841	(1,390)	12,451
Total assets acquired	129,753	326	130,079
Trade and accrued liabilities	12,197	(1,591)	10,606
Long-term debt(1)	27,396	-	27,396
Employee benefit plan obligations	2,673	-	2,673
Lease liabilities	21,626	(938)	20,688
Other liabilities	1,059	2,227	3,286
Deferred tax liabilities	7,094	628	7,722
Total liabilities assumed	72,045	326	72,371
Total net assets	57,708	-	57,708

(1) The long-term debt acquired was repaid in full on November 5, 2021.

The preliminary amount recorded for goodwill is not deductible for tax purposes. The accounts receivable are presented net of a loss allowance of $28 thousand.

Governance

As required by Multilateral Instrument 52-109 of the Canadian Securities Administrators ("MI 52-109"), 5N Plus will file certificates signed by the Chief Executive Officer and the Chief Financial Officer that, among other things, attest to the design of the disclosure controls and procedures and the design and effectiveness of internal controls over financial reporting.

Disclosure Controls and Procedures

The Chief Executive Officer and the Chief Financial Officer have designed disclosure controls and procedures, or have caused them to be designed under their supervision, in order to provide reasonable assurance that:

- Material information relating to the Company has been made known to them; and
- Information required to be disclosed in the Company's filings is recorded, processed, summarized and reported within the time periods specified in securities legislation.

An evaluation of the effectiveness of the Company's disclosure controls and procedures was carried out under the supervision of the Chief Executive Officer and Chief Financial Officer. Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the disclosure controls and procedures are effective.

Internal Control over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer have also designed internal controls over financial reporting (ICFR) or have caused them to be designed under their supervision, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Based on their evaluation carried out to assess the effectiveness of the Company's ICFR, the Chief Executive Officer and the Chief Financial Officer have concluded that the ICFR were designed and operated effectively using the Internal Control – Integrated Framework ("2013 Framework") issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO 2013 Framework").

Changes in Internal Control over Financial Reporting

No changes were made to the ICFR during the nine-month period ended September 30, 2022 that have materially affected, or are reasonably likely to materially affect, the ICFR.

Financial Instruments and Risk Management

Fair Value of Financial Instruments

A detailed description of the methods and assumptions used to measure the fair value of the Company's financial instruments and their fair value is discussed in Note 17 – Fair Value of Financial Instruments in the 2021 audited consolidated financial statements of the Company.

Financial Risk Management

For a detailed description of the nature and extent of risks arising from financial instruments, and their related risk management, refer to Note 25 of the 2021 audited consolidated financial statements of the Company. The Company is not aware of any significant changes to its risk factors from those disclosed at that time.

Risk and Uncertainties

For a detailed description of risk factors associated with 5N Plus and its business, refer to "Risk and Uncertainties" of 5N Plus' 2021 MD&A dated February 22, 2022. Factors of uncertainty and risk include the risks associated with the Company's growth strategy, credit, liquidity, interest rate, litigation, inventory pricing, commodity pricing, currency fluctuation, fair value, source of supply, environmental regulations, competition, dependence on key personnel, business interruptions, changes to backlog, protection of intellectual property, international operations including China, international trade regulations, collective agreements, being a public issuer, systems, network infrastructure and data failure, interruption and breach, global economic conditions, COVID-19, business acquisitions, environmental, social and governance (ESG) considerations, as well as the market price of common shares.

The Company is not aware of any significant changes to its risk factors previously disclosed. However, in February 2022, Russian military forces invaded Ukraine; the invasion is being actively resisted by Ukrainian military personnel and the people of Ukraine, and the outcome of the ongoing conflict is uncertain at this time. Although AZUR had sales in Russia in the past, the amount of such sales is not material to the Company as a whole. A prolonged armed conflict in Ukraine or an expansion of the armed conflict to other European countries could have a negative effect on the European and global economies. As well, Russia is a major exporter of oil and natural gas. Any disruption of supplies of oil and natural gas from Russia could have a significant adverse effect on the European and world economies. All the foregoing factors could potentially have a negative impact on the Company's sales and results of operations.

We have incurred and will continue to incur capital expenditures to comply with environmental laws and regulations. Exceedances in wastewater and air emissions generated by some Company facilities over the limits prescribed in applicable laws and permits have been registered. At such facilities, the Company is collaborating with governmental authorities and implementing various measures, including upgrading equipment to ensure compliance. During the second quarter, the Company announced its intention to close its Tilly, Belgium facility despite numerous investments to improve the site's competitiveness and compliance with environmental standards related to the production of lead-based products. Management believes that, other than the costs associated with the production interruption and closing of the Tilly, Belgium facility, dealing with these environmental compliance issues will not have a material effect on the Company's earnings or competitive position during fiscal 2022. Belgian laws require the sharing of information and consultation with employee representatives ("I&C") prior to confirming an intention to close. Only after this I&C phase and once alternatives have been examined will 5N Plus Belgium SA be able to confirm and initiate the plant closure process. Future developments, such as more aggressive enforcement policies, the implementation of new, more stringent laws and regulations, may require expenditures that could have a material adverse effect on the business of 5N Plus, its results of operations and its financial condition.

Non-IFRS Measures

In this Management's Report, certain non-IFRS measures are used. The Company's management believes that these non-IFRS measures provide useful information to investors regarding the Company's financial condition and results of operations as they provide additional key metrics of its performance. These non-IFRS measures are not recognized under IFRS, do not have any standardized meaning prescribed under IFRS and may differ from similarly named measures as reported by other issuers, and accordingly may not be comparable. These measures should not be viewed as a substitute for the related financial information prepared in accordance with IFRS.

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 number of 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.

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.

EBITDA is reconciled to the most comparable IFRS measure:

(in thousands of U.S. dollars)	**Q3 2022**	Q3 2021	**YTD 2022**	YTD 2021
	$	$	**$**	$
Net (loss) earnings	**(6,968)**	(792)	**(14,853)**	2,130
Interest on long-term debt, imputed interest and other interest expense	**1,821**	961	**4,476**	2,549
Income taxes expense	**2,902**	1,965	**5,003**	4,316
Depreciation and amortization	**3,996**	2,971	**13,681**	8,171
EBITDA	**1,751**	5,105	**8,307**	17,166

EBITDA margin is defined as EBITDA divided by revenues.

Adjusted EBITDA means Operating earnings (loss) as defined before the effect of impairment of inventories, impairment of non-current assets, share-based compensation expense (recovery), litigation and restructuring costs (income), and loss on disposal of assets held for sale. 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.

Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenues.

Adjusted EBITDA and Adjusted EBITDA margin are reconciled to the most comparable IFRS measure:

(in thousands of U.S. dollars)	**Q3 2022**	Q3 2021	**YTD 2022**	YTD 2021
	$	$	**$**	$
Revenues	**66,372**	50,839	**203,181**	145,434
Operating expenses	**(68,813)**	(48,835)	**(208,016)**	(137,101)
Operating (loss) earnings	**(2,441)**	2,004	**(4,835)**	8,333
Impairment of non-current assets	**7,092**	-	**12,478**	-
Share-based compensation expense	**10**	62	**1,170**	1,149
Litigation and restructuring costs	**241**	500	**613**	500
Loss on disposal of assets held for sale	**216**	-	**216**	-
Depreciation and amortization	**3,996**	2,971	**13,681**	8,171
Adjusted EBITDA	**9,114**	5,537	**23,323**	18,153
Adjusted EBITDA margin	**13.7%**	10.9%	**11.5%**	12.5%

Adjusted operating expenses means operating expenses before impairment of inventories, impairment of non-current assets, share-based compensation expense (recovery), litigation and restructuring costs (recovery), loss on disposal of assets held for sale and depreciation and amortization. 5N Plus uses adjusted operating expenses to calculate Adjusted EBITDA. 5N Plus believes it is a meaningful measure of the operating performance of its ongoing business. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

Adjusted operating expenses are reconciled to the most comparable IFRS measure:

(in thousands of U.S. dollars)	**Q3 2022**	Q3 2021	**YTD 2022**	YTD 2021
	$	$	**$**	$
Operating expenses	**68,813**	48,835	**208,016**	137,101
Impairment of non-current assets	**(7,092)**	-	**(12,478)**	-
Share-based compensation expense	**(10)**	(62)	**(1,170)**	(1,149)
Litigation and restructuring costs	**(241)**	(500)	**(613)**	(500)
Loss on disposal of assets held for sale	**(216)**	-	**(216)**	-
Depreciation and amortization	**(3,996)**	(2,971)	**(13,681)**	(8,171)
Adjusted operating expenses	**57,258**	45,302	**179,858**	127,281

Adjusted net earnings (loss) means the net earnings (loss) before the effect of charges of impairment related to inventory and non-current assets, share-based compensation expense (recovery), litigation and restructuring costs (income), accelerated depreciation, and loss on disposal of assets held for sale, net of the related income tax. 5N Plus uses adjusted net earnings (loss) because it believes it is a meaningful measure of the operating performance of its ongoing business without the effects of unusual inventory write-downs and non-current assets impairment charges, share-based compensation expense (recovery), litigation and restructuring costs (income), accelerated depreciation and loss on disposal of assets held for sale. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

Basic adjusted net earnings (loss) per share means adjusted net earnings (loss) divided by the weighted average number of outstanding shares. 5N Plus uses basic adjusted net earnings (loss) per share because it believes it is a meaningful measure of the operating performance of its ongoing business without the effects of unusual impairment charges on inventories and non-current assets, share-based compensation expense (recovery), litigation and restructuring costs (income), accelerated depreciation and loss on disposal of assets held for sale. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

Adjusted net earnings (loss) and Basic adjusted net earnings (loss) are reconciled to the most comparable IFRS measure:

(in thousands of U.S. dollars, except per share amounts and number of shares)	**Q3 2022**	Q3 2021	**YTD 2022**	YTD 2021
	$	$	**$**	$
Net (loss) earnings	**(6,968)**	(792)	**(14,853)**	2,130
Basic (loss) earnings per share	**($0.08)**	($0.01)	**($0.17)**	$0.03
Reconciling items:				
Impairment of non-current assets	**7,092**	-	**12,478**	-
Share-based compensation expense	**10**	62	**1,170**	1,149
Litigation and restructuring costs	**241**	500	**613**	500
Loss on disposal of assets held for sale	**216**	-	**216**	-
Income tax recovery on taxable items above	**(71)**	(16)	**(2,023)**	(304)
Adjusted net earnings (loss)	**520**	(246)	**(2,399)**	3,475
Basic weighted average number of shares	**88,330,236**	81,652,432	**88,330,236**	81,550,427
Basic adjusted net (loss) earnings per share	**$-**	$-	**($0.03)**	$0.04

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.

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

(in thousands of U.S. dollars)	**Q3 2022**	Q3 2021	**YTD 2022**	YTD 2021
	$	$	**$**	$
Total revenue	**66,372**	50,839	**203,181**	145,434
Cost of sales	**(53,410)**	(42,587)	**(167,806)**	(118,124)
Gross margin	**12,962**	8,252	**35,375**	27,310
Depreciation included in cost of sales	**3,194**	2,597	**11,053**	7,024
Adjusted Gross margin	**16,156**	10,849	**46,428**	34,334
Adjusted Gross margin percentage	**24.3%**	21.3%	**22.9%**	23.6%

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.

Total debt and Net debt are reconciled to the most comparable IFRS measure:

(in thousands of U.S. dollars)	**As at September 30, 2022**	As at December 31, 2021
	$	$
Bank indebtedness	**-**	-
Long-term debt including current portion	**123,500**	116,000
Lease liabilities including current portion	**29,401**	32,640
Subtotal Debt	**152,901**	148,640
Lease liabilities including current portion	**(29,401)**	(32,640)
Total Debt	**123,500**	116,000
Cash and cash equivalents	**(40,172)**	(35,940)
Net Debt	**83,328**	80,060

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.

Working capital ratio is calculated by dividing current assets by current liabilities.

Working capital is reconciled to the most comparable IFRS measure:

(in thousands of U.S. dollars)	**As at September 30, 2022**	As at December 31, 2021
	$	$
Inventories	**89,821**	95,526
Other current assets excluding inventories	**101,324**	99,996
Current assets	**191,145**	195,522
Current liabilities	**(56,959)**	(65,059)
Working capital	**134,186**	130,463
Working capital current ratio	**3.36**	3.01

Additional Information

5N Plus' common shares trade on the Toronto Stock Exchange (TSX) under the ticker symbol VNP. Additional information relating to the Company, including the Company's annual information form, is available under the Company's profile on SEDAR at www.sedar.com.

Selected Quarterly Financial Information

(in thousands of U.S. dollars, except per share amounts)	**Sept 30, 2022**	June 30, 2022	March 31, 2022	Dec 31, 2021	Sept 30, 2021	June 30, 2021	March 31, 2021	Dec 31, 2020
		$	$	$	$	$	$	$
Revenue	**66,372**	72,388	64,421	64,556	50,839	47,719	46,876	46,230
EBITDA[1]	**1,751**	6,739	(183)	7,822	5,105	6,318	5,743	2,230
Adjusted EBITDA[1]	**9,114**	8,583	5,626	10,086	5,537	6,336	6,280	6,543
Net (loss) earnings	**(6,968)**	(2,130)	(5,755)	980	(792)	2,159	763	(2,864)
Basic (loss) earnings per share	**($0.08)**	($0.02)	($0.07)	$0.01	($0.01)	$0.03	$0.01	($0.03)
Diluted (loss) earnings per share	**($0.08)**	($0.02)	($0.07)	$0.01	($0.01)	$0.03	$0.01	($0.03)
Adjusted net earnings (loss)[1]	**520**	(997)	(1,922)	1,879	(246)	1,932	1,789	184
Basic adjusted net (loss) earnings per share[1]	**$-**	($0.01)	($0.02)	$0.02	$-	$0.02	$0.02	$-
Funds from operations	**2,055**	3,165	2,800	5,604	2,394	3,656	4,899	4,355
Backlog[1]	**192 days**	140 days	196 days	221 days	174 days	199 days	195 days	189 days

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

[1] See Non-IFRS Measures