3
Financial Statements

Quarter Ended
September 30, 2024

(in thousands of United States dollars) (unaudited)

	Notes	**September 30 2024**	December 31 2023
		$	$
Assets			
Current			
Cash and cash equivalents		**24,565**	34,706
Accounts receivable		**45,371**	33,437
Inventories	3	**124,459**	105,850
Income tax receivable		**1,666**	1,672
Derivative financial assets	10	**6,183**	591
Other current assets		**6,187**	5,707
Total current assets		**208,431**	181,963
Property, plant and equipment	6	**90,592**	84,600
Right-of-use assets	6	**30,421**	29,290
Intangible assets	6	**25,376**	29,304
Goodwill		**11,825**	11,825
Deferred tax assets		**8,074**	8,261
Other assets	10	**5,541**	4,959
Total non-current assets		**171,829**	168,239
Total assets		**380,260**	350,202
Liabilities			
Current			
Trade and accrued liabilities		**40,186**	37,024
Income tax payable		**5,624**	4,535
Current portion of deferred revenue	4	**11,833**	13,437
Current portion of lease liabilities		**2,034**	1,811
Current portion of long-term debt	5	**-**	25,000
Total current liabilities		**59,677**	81,807
Long-term debt	5	**118,271**	83,500
Deferred tax liabilities		**5,579**	5,284
Employee benefit plan obligations		**13,444**	13,393
Lease liabilities		**29,597**	28,328
Deferred revenue	4	**9,125**	5,629
Other liabilities		**825**	3,669
Total non-current liabilities		**176,841**	139,803
Total liabilities		**236,518**	221,610
Equity		**143,742**	128,592
Total liabilities and equity		**380,260**	350,202

Commitments and contingencies (Note 11)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

5N PLUS INC.

INTERIM CONSOLIDATED STATEMENTS OF EARNINGS

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	
	Notes	**2024**	2023	**2024**	2023
		$	$	**$**	$
Revenue		**78,828**	62,946	**218,427**	177,308
Cost of sales	3, 6	**57,904**	50,389	**160,309**	135,156
Selling, general and administrative expenses	6	**8,135**	6,249	**24,169**	20,711
Other expenses (income), net	6	**3,295**	943	**7,874**	(1,891)
		69,334	57,581	**192,352**	153,976
Operating earnings		**9,494**	5,365	**26,075**	23,332
Financial expense					
Interest on long-term debt		**2,191**	2,081	**6,132**	6,254
Imputed interest and other interest expense		**452**	308	**591**	451
Foreign exchange and derivative gain		**(450)**	(238)	**(835)**	(497)
		2,193	2,151	**5,888**	6,208
Earnings before income taxes		**7,301**	3,214	**20,187**	17,124
Income tax expense (recovery)					
Current		**1,347**	2,293	**6,038**	6,062
Deferred		**(416)**	(597)	**483**	(2,053)
		931	1,696	**6,521**	4,009
Net earnings		**6,370**	1,518	**13,666**	13,115
Basic earnings per share	7	**0.07**	0.02	**0.15**	0.15
Diluted earnings per share	7	**0.07**	0.02	**0.15**	0.15

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

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

5N PLUS INC.

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three and nine-month periods ended September 30
(in thousands of United States dollars) (unaudited)

	Three months		Nine months	
	2024	2023	**2024**	2023
	$	$	**$**	$
Net earnings	**6,370**	1,518	**13,666**	13,115
Other comprehensive loss				
Items that may be reclassified subsequently to net earnings				
Currency translation adjustment	**2,087**	(783)	**673**	(1,166)
	2,087	(783)	**673**	(1,166)
Items that will not be reclassified subsequently to net earnings				
Remeasurement of employee benefit plan obligations	**(515)**	695	**(27)**	301
Income taxes	**162**	(219)	**11**	(96)
	(353)	476	**(16)**	205
Other comprehensive income (loss)	**1,734**	(307)	**657**	(961)
Comprehensive income	**8,104**	1,211	**14,323**	12,154

Comprehensive income is completely attributable to equity holders of 5N Plus Inc.

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

(in thousands of United States dollars, except number of shares) (unaudited)

2024	**Number of shares**	**Share Capital**	**Contributed Surplus**	**Accumulated other comprehensive loss**	**Deficit**	**Total equity**
		$	**$**	**$**	**$**	**$**
Balances at beginning of period	**88,704,724**	**21,884**	**343,012**	**(6,477)**	**(229,827)**	**128,592**
Net earnings for the period	**-**	**-**	**-**	**-**	**13,666**	**13,666**
Other comprehensive income	**-**	**-**	**-**	**657**	**-**	**657**
Comprehensive income	**-**	**-**	**-**	**657**	**13,666**	**14,323**
Exercise of stock options	**338,077**	**911**	**(259)**	**-**	**-**	**652**
Share-based compensation	**-**	**-**	**175**	**-**	**-**	**175**
Balances at end of period	**89,042,801**	**22,795**	**342,928**	**(5,820)**	**(216,161)**	**143,742**

2023	Number of shares	Share Capital	Contributed Surplus	Accumulated other comprehensive loss	Deficit	Total equity
		$	$	$	$	$
Balances at beginning of period	88,330,236	21,004	342,985	(5,987)	(245,226)	112,776
Net earnings for the period	-	-	-	-	13,115	13,115
Other comprehensive loss	-	-	-	(961)	-	(961)
Comprehensive (loss) income	-	-	-	(961)	13,115	12,154
Exercise of stock options	374,488	880	(247)	-	-	633
Share-based compensation	-	-	213	-	-	213
Balances at end of period	88,704,724	21,884	342,951	(6,948)	(232,111)	125,776

Equity is completely attributable to equity holders of 5N Plus Inc.

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

5N PLUS INC.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the nine-month periods ended September 30

(in thousands of United States dollars) (unaudited)

	Notes	**2024**	2023
		$	$
Operating activities			
Net earnings		**13,666**	13,115
Adjustments to reconcile net earnings to cash flows			
Depreciation of property, plant and equipment		**7,997**	7,668
Depreciation of right-of-use assets		**1,960**	1,931
Amortization of intangible assets		**2,461**	2,454
Amortization of other assets		**186**	193
Impairment of non-current assets	6	**2,826**	608
Share-based compensation expense		**5,808**	1,914
Deferred income taxes		**483**	(2,053)
Imputed interest		**917**	500
Employee benefit plan obligations		**(131)**	(55)
(Gain) loss on disposal of property, plant and equipment		**(2,062)**	1,025
Unrealized gain on non-hedge financial instruments		**(5,566)**	(896)
Unrealized foreign exchange gain on assets and liabilities		**(23)**	(236)
Cash from operations before the following:		**28,522**	26,168
Net change in non-cash working capital balances	9	**(32,355)**	(20,691)
Cash (used in) from operating activities		**(3,833)**	5,477
Investing activities			
Additions to property, plant and equipment	9	**(18,045)**	(10,590)
Additions to intangible assets		**(209)**	(501)
Acquisition of investment in equity instruments	10	**(1,000)**	-
Proceeds on settlement of indexed deposit agreement	10	**-**	6,506
Proceeds on disposal of property, plant and equipment		**3,733**	320
Cash used in investing activities		**(15,521)**	(4,265)
Financing activities			
Repayment of long-term debt		**(10,000)**	(12,500)
Proceeds from issuance of long-term debt		**20,889**	-
Deferred costs related to long-term debt		**(100)**	-
Issuance of common shares		**652**	633
Principal elements of lease payments		**(2,286)**	(2,164)
Cash flows from (used in) financing activities		**9,155**	(14,031)
Effect of foreign exchange rate changes on cash and cash equivalents		**58**	3
Net decrease in cash and cash equivalents		**(10,141)**	(12,816)
Cash and cash equivalents, beginning of period		**34,706**	42,691
Cash and cash equivalents, end of period		**24,565**	29,875
Supplemental information[1]			
Income tax paid		**4,637**	4,460
Interest paid		**5,646**	5,869

(1) Amounts paid for income tax and interest were reflected as cash flows from operating activities in the interim consolidated statements of cash flows.

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

(in thousands of United States dollars, unless otherwise indicated) (unaudited)

1. Nature of Activities

5N Plus Inc. ("5N+" or the "Company") is a Canadian-based international company. 5N+ is a leading global producer of specialty semiconductors and performance materials. The Company's ultra-pure materials often form the core element of its customer products. These customers rely on 5N+'s products to enable performance and sustainability in their own products. 5N+ deploys a range of proprietary and proven technologies to develop and manufacture its products. The Company's products enable various applications in a number of key industries including renewable energy, security, space, pharmaceutical, medical imaging and industrial. The Company is headquartered at 4385 Garand Street, Montreal, Quebec (Canada) H4R 2B4. The Company operates R&D, manufacturing and commercial centers in strategically located facilities around the world including Europe, North America and Asia. 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 focus on integrity, commitment and customer development along with emphasis on sustainable development, continuous improvement, health and safety. The Company's shares are listed on the Toronto Stock Exchange ("TSX"). 5N+ and its subsidiaries represent the "Company" mentioned throughout these consolidated financial statements. The Company has two reportable business segments, namely Specialty Semiconductors and Performance Materials.

These condensed interim consolidated financial statements were approved by the Board of Directors on November 4, 2024.

2. Basis of Presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and as applicable to the preparation of interim financial statements, including IAS 34, "Interim Financial Reporting". These condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS Accounting Standards.

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The accounting policies followed in these unaudited condensed interim financial statements are consistent with those of the previous financial year, with the additional policy described below.

The functional and presentation currency of the Company is the United States dollar.

Income taxes

Taxes on income in interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

3. Inventories

	September 30 2024	December 31 2023
	$	$
Raw materials	**43,623**	36,297
Finished goods	**80,836**	69,553
Total inventories	**124,459**	105,850

For the three and nine-month periods ended September 30, 2024, a total of $35,609 and $94,394 of inventories were included as an expense in cost of sales ($27,516 and $73,487 for the three and nine-month periods ended September 30, 2023).

(in thousands of United States dollars, unless otherwise indicated) (unaudited)

For the three and nine-month periods ended September 30, 2024, a total of $18 and $78 previously written down were recognized as a reduction of expenses in costs of sales concurrently with the related inventories being sold ($9 and $39 for the Specialty Semiconductors segment and $9 and $39 for the Performance Materials segment). For the three and nine-month periods ended September 30, 2023, a total of $30 and $38 previously written down were recognized as a reduction of expenses in costs of sales concurrently with the related inventories being sold ($15 and $15 for the Specialty Semiconductors segment and $15 and $23 for the Performance Materials segment).

4. Deferred revenue

	September 30 2024	December 31 2023
	$	$
Prepayments from clients	**10,049**	11,591
Current portion of deferred revenue related to long-term contracts	**1,784**	1,846
Current portion of deferred revenue	**11,833**	13,437
Non-current portion of deferred revenue related to long-term contracts	**9,125**	5,629
Non-current portion of deferred revenue	**9,125**	5,629
Total deferred revenue	**20,958**	19,066

For the nine-month period ended September 30, 2024, $8,759 (2023 - $7,411) of revenue was realized in relation to the deferred revenue balance outstanding at the beginning of the period.

5. Long-Term Debt

	September 30 2024	December 31 2023
	$	$
Senior secured revolving facility of $124,000 with a syndicate of banks, maturing in April 2026	**101,500**	83,500
Subordinated term loan with Investissement Québec, maturing in March 2028	**15,000**	25,000
Interest-free loan from Investissement Québec, maturing in February 2030	**1,259**	-
Interest-free loan from Canada Economic Development for Quebec Regions, maturing in December 2032	**512**	-
	118,271	108,500
Less current portion of long-term debt	**-**	(25,000)
	118,271	83,500

Senior secured revolving facility

In June 2022, the Company signed a senior secured multi-currency revolving credit facility of $124,000 maturing in April 2026 to replace its existing $124,000 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 $30,000 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 $4,000). 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 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, 2024 and December 31, 2023, the Company had met all covenants.

(in thousands of United States dollars, unless otherwise indicated) (unaudited)

Subordinated term loan from Investissement Québec

In March 2024, the Company entered into a subordinated term loan agreement with Investissement Québec of $15,000 which replaces its previous subordinated term loan of $25,000 set to expire in March 2024. The new term loan bears interest equivalent to the four-year US Treasury Bonds plus a margin of 5.38%, which equals to 9.71%. Under the terms of the loan, the Company is required to satisfy certain restrictive covenants as to financial ratios. As at September 30, 2024 and December 31, 2023, the Company has met all covenants.

Interest-free loan from Investissement Québec

In February 2024, the Company received CA$ 2,700 from Investissement Québec with respect to an interest-free term loan with a maximum drawdown of CA$ 2,850 dependent upon eligible capital expenditures related to investments in its Montreal production facility. Subject to the satisfaction of certain criteria, the Company expects CA$ 500 of the loan to be forgiven. The loan has a two-year repayment moratorium period and is subsequently reimbursable in monthly instalments over a period of four years. Under the terms of the loan, the Company is required to satisfy certain restrictive covenants as to financial ratios. As at September 30, 2024, the Company has met all covenants.

Interest-free loan from Canada Economic Development for Quebec Regions

In March 2024, the Company received CA$ 1,217 from Canada Economic Development for Quebec Regions with respect to an interest-free term loan with a maximum drawdown of CA$ 3,000 dependent upon eligible capital expenditures. At a date no later than December 31, 2025, an additional two-year repayment moratorium period will begin. Subsequently, the loan is reimbursable in monthly instalments over a period of five years.

6. Expenses by Nature

	Three months		Nine months	
	2024	2023	**2024**	2023
	$	$	**$**	$
Wages and salaries	**14,539**	12,443	**44,932**	39,931
Depreciation of property, plant and equipment	**2,941**	2,541	**7,997**	7,668
Depreciation of right-of-use assets	**667**	619	**1,960**	1,931
Amortization of other assets	**62**	64	**186**	193
Other expenses (income), net				
Amortization of intangible assets	**816**	819	**2,461**	2,454
Share-based compensation expense	**252**	305	**597**	1,018
(Gain) loss on disposal of property, plant and equipment(1)	**(2,089)**	-	**(2,062)**	1,025
Impairment of non-current assets(2)	**2,519**	-	**2,826**	608
Research and development, net of tax credit(3)	**846**	(157)	**3,143**	1,859
Litigation and restructuring costs (income), net(4)	**1,021**	-	**1,021**	(8,772)
Other income	**(70)**	(24)	**(112)**	(83)

(1) During the third quarter of 2024, the Company recognized a gain of $2,089 in relation to the sale of unused production equipment from the Performance Materials segment following the Company's decision to switch to higher capacity equipment.

During the second quarter of 2023, the Company recorded a loss on disposal of $1,051 on production equipment from the Specialty Semiconductors segment following a change of technical requirements and functionalities by the Company. The Company disposed this production equipment in a non-monetary transaction with the supplier in exchange for a credit to be applied against future purchases of production equipment (Note 9).

(2) During the third quarter of 2024, the Company recorded an impairment of non-current assets of $1,699 in relation to Intangible assets included within the Performance Materials segment, to reflect the assessment of the carrying value of technology and development costs following the Company' sale of unused production equipment which represented the remaining cashflows expected to be derived from these Intangible assets.

During the third quarter of 2024, the Company recorded an impairment of non-current assets of $560 in relation to Property, plant and equipment included within the Performance Materials segment, to reflect the assessment of the carrying value of production equipment following the Company's decision to prioritize specific production operations to support the Company's core business.

During the second and third quarter of 2024, the Company recorded an impairment of non-current assets of $307 and $260 respectively in relation to Property, plant and equipment included within the Specialty Semiconductors segment, to reflect the assessment of the carrying value of production equipment following the Company's decision to discontinue construction of the asset.

(in thousands of United States dollars, unless otherwise indicated) (unaudited)

During the second quarter of 2023, the Company recorded an impairment of non-current assets of $608 in relation to Property, plant and equipment included within the Performance Materials segment, to reflect the assessment of the carrying value of production equipment following the Company's decision to switch to higher capacity equipment.

(3) Reduced research and development, net of tax credit by an amount of $392 and $1,090 for the three and nine-month period ended September 30, 2024 resulting from research and development subsidies. There is an outstanding receivable related to this grant as at September 30, 2024 for an amount of $2,614 included within Accounts receivable.

Reduced research and development, net of tax credit by an amount of $1,700 and $3,075 for the three and nine-month periods ended September 30, 2023 resulting from research and development subsidies.

(4) In 2024, the Company recorded litigation and restructuring costs. The costs are a provision of $437 related to a deposit for which it is probable that it is refundable to a client, costs related to site closures in Asia for an amount of $400 and changes in management for an amount of $184.

Litigation and restructuring income recorded during the second quarter of 2023 includes $8,974 received from the previous shareholder of AZUR. The income was received as per stipulations in the share purchase agreement and is not related to AZUR's performance post-acquisition.

7. Earnings per Share

The following table reconciles the numerators and denominators used for the computation of basic and diluted net earnings per share:

	Three months		Nine months	
Numerators	**2024**	2023	**2024**	2023
	$	$	**$**	$
Net earnings for the period	**6,370**	1,518	**13,666**	13,115

	Three months		Nine months	
Denominators	**2024**	2023	**2024**	2023
Basic weighted average number of shares	**88,947,692**	88,601,463	**88,833,561**	88,475,482
Dilutive effect:				
Stock options	**801,244**	568,341	**771,943**	521,319
Diluted weighted average number of shares	**89,748,936**	89,169,804	**89,605,504**	88,996,801

For the three and nine-month periods ended September 30, 2024, 20,000 and 139,620 stock options were excluded from the diluted weighted average number of shares due to their anti-dilutive effect.

For the three and nine-month periods ended September 30, 2023, 188,924 and 219,864 stock options were excluded from the diluted weighted average number of shares due to their anti-dilutive effect.

(in thousands of United States dollars, unless otherwise indicated) (unaudited)

8. Operating Segments

The following tables summarize the information reviewed by the entity's chief operating decision maker when measuring performance:

	Three months		Nine months	
	2024	2023	**2024**	2023
	$	$	**$**	$
Specialty Semiconductors	**52,973**	41,766	**150,463**	110,818
Performance Materials	**25,855**	21,180	**67,964**	66,490
Total revenue	**78,828**	62,946	**218,427**	177,308
Specialty Semiconductors	**8,732**	4,714	**31,361**	20,064
Performance Materials	**9,573**	6,637	**18,344**	17,333
Corporate and unallocated	**(2,684)**	(1,702)	**(8,857)**	(8,107)
Adjusted EBITDA [(1)]	**15,621**	9,649	**40,848**	29,290
Interest on long-term debt, imputed interest and other interest expense	**2,643**	2,389	**6,723**	6,705
Share-based compensation expense	**252**	305	**597**	1,018
Foreign exchange and derivative gain	**(450)**	(238)	**(835)**	(497)
Depreciation and amortization	**4,424**	3,979	**12,418**	12,053
(Gain) loss on disposal of property, plant and equipment (Note 6)	**(2,089)**	-	**(2,089)**	1,051
Impairment of non-current assets (Note 6)	**2,519**	-	**2,826**	608
Litigation and restructuring costs (income), net (Note 6)	**1,021**	-	**1,021**	(8,772)
Earnings before income tax	**7,301**	3,214	**20,187**	17,124

(1) Earnings before income tax, depreciation and amortization, share-based compensation expense (recovery), impairment of non-current assets, loss (gain) on disposal of property, plant and equipment, litigation and restructuring costs (income), and financial expense (income).

	Three months		Nine months	
Capital expenditures	**2024**	2023	**2024**	2023
	$	$	**$**	$
Specialty Semiconductors	**3,209**	929	**15,583**	6,431
Performance Materials	**559**	1,612	**2,415**	4,159
Corporate and unallocated	**-**	-	**47**	-
Total	**3,768**	2,541	**18,045**	10,590

Assets excluding deferred tax assets	**September 30 2024**	December 31 2023
	$	$
Specialty Semiconductors	**204,842**	195,087
Performance Materials	**146,322**	131,570
Corporate and unallocated	**21,022**	15,284
Total	**372,186**	341,941

(in thousands of United States dollars, unless otherwise indicated) (unaudited)

The geographic distribution of the Company's revenue based on the location of the customers for the three and nine-month periods ended September 30, 2024 and 2023, and the identifiable non-current assets as at September 30, 2024 and December 31, 2023 are summarized as follows:

	Three months		**Nine months**	
Revenues	**2024**	2023	**2024**	2023
	$	$	**$**	$
Asia				
China	**2,949**	3,302	**8,862**	9,469
Japan	**2,271**	868	**4,773**	3,729
Other	**4,623**	3,881	**13,158**	12,390
Americas				
United States	**34,652**	28,796	**101,620**	77,307
Other	**2,574**	2,028	**6,501**	7,350
Europe				
Germany	**15,652**	14,670	**42,921**	34,123
Belgium	**5,020**	1,987	**8,354**	2,506
Netherlands	**430**	630	**2,082**	2,645
France	**3,774**	1,559	**4,533**	8,578
Other(1)	**5,229**	4,590	**19,602**	18,061
Other	**1,654**	635	**6,021**	1,150
Total	**78,828**	62,946	**218,427**	177,308

(1) None exceeding 10%

Non-current assets (other than deferred tax assets and financial instruments)	**September 30 2024**	December 31 2023
	$	$
Asia	**3,131**	3,132
United States	**11,370**	12,382
Canada	**30,500**	31,566
Germany	**114,137**	109,295
Total	**159,138**	156,375

For the three and nine-month periods ended September 30, 2024, one customer represented approximately 24% and 26% of the revenues (24% and 26% within the Specialty Semiconductors segment and nil within the Performance Materials segment). For the three and nine-month periods ended September 30, 2023, one customer represented approximately 26% and 23% of the revenues (26% and 23% within the Specialty Semiconductors segment and nil within the Performance Materials segment).

9. Supplemental Cash Flow Information

Net change in non-cash working capital balances related to operations consists of the following:

	Nine months	
	2024	2023
	$	$
(Increase) decrease in assets:		
Accounts receivable	**(11,500)**	(6,041)
Inventories	**(17,683)**	(16,538)
Income tax receivable	**6**	3,801
Other current assets	**(136)**	6,141
(Decrease) increase in liabilities:		
Trade and accrued liabilities	**(5,680)**	(9,358)
Income tax payable	**1,072**	(2,362)
Deferred revenue	**1,566**	3,666
Net change	**(32,355)**	(20,691)

(in thousands of United States dollars, unless otherwise indicated) (unaudited)

The interim consolidated statements of cash flows exclude or include the following transactions:

	Nine months	
	2024	2023
	$	$
Excluded additions unpaid at end of the period:		
Additions to property, plant and equipment	**779**	758
Included additions unpaid at beginning of the period:		
Additions to property, plant and equipment	**1,214**	717
Excluded non-cash proceeds on the disposal of		
Property, plant and equipment[1]	**200**	2,515

[1] Property, plant and equipment was disposed in a transaction which included cash and non-cash proceeds of inventory in 2024.

Additions to property, plant and equipment consist of the following:

	Nine months	
	2024	2023
	$	$
Additions to property, plant and equipment before prepayments	**16,922**	9,607
Prepayments for construction in progress	**1,123**	3,498
Less: Non-cash deposits for construction in progress	**-**	(2,515)
Additions to property, plant and equipment	**18,045**	10,590

As at September 30, 2024, property, plant and equipment includes $1,172 of prepayments for construction in progress ($6,669 as at December 31, 2023).

For the nine-month period ended September 30, 2024, additions to property, plant and equipment included government assistance of $1,332 (nil for the nine-month period ended September 2023) recognized in relation to interest-free loans (Note 5).

(in thousands of United States dollars, unless otherwise indicated) (unaudited)

10. Fair Value of Financial Instruments

Fair value hierarchy

The following table presents the financial instruments, by level, which are recognized at fair value in the interim consolidated statements of financial position:

As at September 30, 2024	**Level 1**	**Level 2**	**Level 3**
	$	**$**	**$**
Financial assets			
At fair value through profit or loss			
Total return swap(1)	**-**	**6,183**	**-**
Investment in equity instruments(2)	**-**	**-**	**4,000**
Restricted investment(3)	**-**	**-**	**617**
Total	**-**	**6,183**	**4,617**

As at December 31, 2023	Level 1	Level 2	Level 3
	$	$	$
Financial assets			
At fair value through profit or loss			
Total return swap(1)	-	591	-
Investment in equity instruments(2)	-	-	3,000
Restricted investment(3)	-	-	603
Total	-	591	3,603

(1) In March 2023, the indexed deposit agreement entered with a major Canadian financial institution in June 2017, was amended to a total return swap wherein share price fluctuations are settled via cash annually. As part of this amendment, the Company received, $6,506 which represents the fair value of the indexed deposit agreement as at the amendment date.

The Company entered into the total return swap, previously the indexed deposit agreement, to reduce its income exposure to fluctuations in its share price relating to the DSU, PSU, RSU and SAR programs. Pursuant to the agreement, the Company receives the economic benefit of the share price appreciation while providing payments to the financial institution for the institution's cost of funds and any share price depreciation. The net effect of the total return swap partly offset movements in the Company's share price impacting the cost of the DSU, PSU, RSU and SAR programs. As at September 30, 2024, the total return swap covered 2,571,569 common shares of the Company.

(2) In January 2024, the Company increased its minority equity stake in Microbion Corporation (Microbion) for an amount of $1,000. As at September 30, 2024, the Company's stake in Microbion, recorded in Other assets, was valued at $4,000 ($3,000 as at December 31, 2023).

(3) The fair value of the restricted investment is recorded in Other assets.

11. Commitments and Contingencies

Commitments

In the normal course of business, the Company contracted letters of credit for an amount of up to $204 as at September 30, 2024 ($551 as at December 31, 2023).

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 condensed interim consolidated financial statements, the Company was not aware of any significant events that would have a material effect on its consolidated financial statements.