# 2 Financial Statements

Quarter Ended
June 30, 2025

5N+

**(in thousands of United States dollars) (unaudited)**

| | Notes | **June 30 2025** | December 31 2024 |
|---|---|---|---|
| | | **$** | $ |
| **Assets** | | | |
| **Current** | | | |
| Cash | | **48,624** | 22,142 |
| Accounts receivable | | **58,485** | 42,172 |
| Inventories | 3 | **142,960** | 137,823 |
| Income tax receivable | | **850** | 1,811 |
| Derivative financial assets | 10 | **3,131** | 6,978 |
| Other current assets | | **5,895** | 6,469 |
| **Total current assets** | | **259,945** | 217,395 |
| Property, plant and equipment | 6 | **93,584** | 85,995 |
| Right-of-use assets | 6 | **29,373** | 28,583 |
| Intangible assets | 6 | **24,213** | 22,929 |
| Goodwill | | **12,032** | 10,665 |
| Deferred tax assets | | **9,439** | 7,358 |
| Other assets | 10 | **3,350** | 3,982 |
| **Total non-current assets** | | **171,991** | 159,512 |
| **Total assets** | | **431,936** | 376,907 |
| | | | |
| **Liabilities** | | | |
| **Current** | | | |
| Trade and accrued liabilities | | **50,916** | 42,116 |
| Income tax payable | | **10,733** | 5,207 |
| Current portion of deferred revenue | 4 | **13,834** | 11,206 |
| Current portion of lease liabilities | | **2,115** | 1,952 |
| **Total current liabilities** | | **77,598** | 60,481 |
| Long-term debt | 5 | **122,961** | 122,203 |
| Deferred tax liabilities | | **6,216** | 5,737 |
| Employee benefit plan obligations | | **13,272** | 12,624 |
| Lease liabilities | | **28,856** | 27,450 |
| Deferred revenue | 4 | **10,103** | 8,688 |
| Other liabilities | | **797** | 706 |
| **Total non-current liabilities** | | **182,205** | 177,408 |
| **Total liabilities** | | **259,803** | 237,889 |
| | | | |
| **Equity** | | **172,133** | 139,018 |
| **Total liabilities and equity** | | **431,936** | 376,907 |

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 six-month periods ended June 30

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

| | | Three months | | Six months | |
|---|---|---|---|---|---|
| | Notes | **2025** | 2024 | **2025** | 2024 |
| | | **$** | $ | **$** | $ |
| **Revenue** | | **95,311** | 74,580 | **184,199** | 139,599 |
| Cost of sales | 3, 6 | **65,888** | 54,385 | **127,780** | 102,405 |
| Selling, general and administrative expenses | 6 | **7,699** | 8,717 | **16,259** | 16,034 |
| Other expenses (income), net | 6 | **2,251** | 2,329 | **5,576** | 4,579 |
| | | **75,838** | 65,431 | **149,615** | 123,018 |
| **Operating earnings** | | **19,473** | 9,149 | **34,584** | 16,581 |
| **Financial expense** | | | | | |
| Interest on long-term debt | | **2,002** | 2,146 | **4,006** | 3,941 |
| Imputed interest and other interest expense | | **351** | (272) | **1,064** | 139 |
| Foreign exchange (gain) loss | | **(97)** | 2 | **(811)** | (385) |
| | | **2,256** | 1,876 | **4,259** | 3,695 |
| **Earnings before income taxes** | | **17,217** | 7,273 | **30,325** | 12,886 |
| Income tax expense (recovery) | | | | | |
| Current | | **4,706** | 2,177 | **8,077** | 4,691 |
| Deferred | | **(2,716)** | 307 | **(2,552)** | 899 |
| | | **1,990** | 2,484 | **5,525** | 5,590 |
| **Net earnings** | | **15,227** | 4,789 | **24,800** | 7,296 |
| **Basic earnings per share** | 7 | **0.17** | 0.05 | **0.28** | 0.08 |
| **Diluted earnings per share** | 7 | **0.17** | 0.05 | **0.28** | 0.08 |

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 six-month periods ended June 30

**(in thousands of United States dollars) (unaudited)**

| | Three months | | Six months | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| | **$** | $ | **$** | $ |
| **Net earnings** | **15,227** | 4,789 | **24,800** | 7,296 |
| **Other comprehensive income (loss)** | | | | |
| **Items that may be reclassified subsequently to net earnings** | | | | |
| Currency translation adjustment | **5,287** | (373) | **7,674** | (1,414) |
| | **5,287** | (373) | **7,674** | (1,414) |
| **Items that will not be reclassified subsequently to net earnings** | | | | |
| Remeasurement of employee benefit plan obligations | **102** | 300 | **733** | 488 |
| Income taxes | **(32)** | (93) | **(230)** | (151) |
| | **70** | 207 | **503** | 337 |
| **Other comprehensive income (loss)** | **5,357** | (166) | **8,177** | (1,077) |
| **Comprehensive income** | **20,584** | 4,623 | **32,977** | 6,219 |

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.

**5N PLUS INC.**

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six-month periods ended June 30

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

| **2025** | **Number of shares** | **Share Capital** | **Contributed Surplus** | **Accumulated other comprehensive loss** | **Deficit** | **Total equity** |
|---|---|---|---|---|---|---|
| | | **$** | **$** | **$** | **$** | **$** |
| **Balances at beginning of period** | **89,042,801** | **22,795** | **342,982** | **(11,604)** | **(215,155)** | **139,018** |
| Net earnings for the period | **-** | **-** | **-** | **-** | **24,800** | **24,800** |
| Other comprehensive income | **-** | **-** | **-** | **8,177** | **-** | **8,177** |
| Comprehensive income | **-** | **-** | **-** | **8,177** | **24,800** | **32,977** |
| Exercise of stock options | **25,000** | **60** | **(17)** | **-** | **-** | **43** |
| Share-based compensation | **-** | **-** | **95** | **-** | **-** | **95** |
| **Balances at end of period** | **89,067,801** | **22,855** | **343,060** | **(3,427)** | **(190,355)** | **172,133** |

| 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 | - | - | - | - | 7,296 | 7,296 |
| Other comprehensive loss | - | - | - | (1,077) | - | (1,077) |
| Comprehensive (loss) income | - | - | - | (1,077) | 7,296 | 6,219 |
| Exercise of stock options | 213,077 | 601 | (172) | - | - | 429 |
| Share-based compensation | - | - | 116 | - | - | 116 |
| Balances at end of period | 88,917,801 | 22,485 | 342,956 | (7,554) | (222,531) | 135,356 |

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 six-month periods ended June 30
**(in thousands of United States dollars) (unaudited)**

| | Notes | 2025 | 2024 |
|---|---|---|---|
| | | $ | $ |
| **Operating activities** | | | |
| Net earnings | | **24,800** | 7,296 |
| Adjustments to reconcile net earnings to cash flows | | | |
| Depreciation of property, plant and equipment | | **5,742** | 5,056 |
| Depreciation of right-of-use assets | | **1,317** | 1,293 |
| Amortization of intangible assets | | **1,393** | 1,645 |
| Amortization of other assets | | **361** | 124 |
| Loss on remeasurement of financial instrument | 6, 10 | **1,000** | - |
| Impairment of non-current assets | 6 | **-** | 307 |
| Share-based compensation expense | | **3,376** | 4,777 |
| Deferred income taxes | | **(2,552)** | 899 |
| Imputed interest | | **636** | 602 |
| Employee benefit plan obligations | | **(209)** | (93) |
| Loss on disposal of property, plant and equipment | | **16** | 27 |
| Unrealized gain on non-hedge financial instruments | | **(3,053)** | (4,673) |
| Unrealized foreign exchange loss (gain) on assets and liabilities | | **1,817** | (613) |
| **Cash from operations before the following:** | | **34,644** | 16,647 |
| Net change in non-cash working capital balances | 9 | **(5,990)** | (19,265) |
| **Cash from (used in) operating activities** | | **28,654** | (2,618) |
| **Investing activities** | | | |
| Additions to property, plant and equipment | 9 | **(8,098)** | (14,277) |
| Additions to intangible assets | | **(344)** | (160) |
| Acquisition of investment in equity instruments | 10 | **-** | (1,000) |
| Proceeds on settlement of total return swap | 10 | **6,898** | - |
| Proceeds on disposal of property, plant and equipment | | **-** | 961 |
| **Cash from (used in) investing activities** | | **(1,544)** | (14,476) |
| **Financing activities** | | | |
| Repayment of long-term debt | | **-** | (10,000) |
| Proceeds from issuance of long-term debt | | **876** | 20,889 |
| Deferred costs related to long-term debt | | **(737)** | (100) |
| Issuance of common shares | | **43** | 429 |
| Principal elements of lease payments | | **(1,552)** | (1,512) |
| **Cash flows (used in) from financing activities** | | **(1,370)** | 9,706 |
| **Effect of foreign exchange rate changes on cash** | | **742** | (173) |
| **Net increase (decrease) in cash** | | **26,482** | (7,561) |
| Cash at beginning of period | | **22,142** | 34,706 |
| **Cash at end of period** | | **48,624** | 27,145 |
| | | | |
| **Supplemental information**[(1)] | | | |
| Income tax paid | | **1,677** | 3,429 |
| Interest paid | | **3,371** | 3,573 |

(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 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 August 4, 2025.

## 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, 2024, 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

| | **June 30 2025** | December 31 2024 |
|---|---|---|
| | **$** | $ |
| Raw materials | **57,712** | 51,316 |
| Finished goods | **85,248** | 86,507 |
| **Total inventories** | **142,960** | 137,823 |

For the three and six-month periods ended June 30, 2025, a total of $43,854 and $80,417 of inventories were included as an expense in cost of sales ($29,391 and $58,785 for the three and six-month periods ended June 30, 2024).

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

## 4. Deferred revenue

| | **June 30 2025** | December 31 2024 |
|---|---|---|
| | **$** | $ |
| Prepayments from clients | **12,200** | 9,754 |
| Current portion of deferred revenue related to long-term contracts | **1,634** | 1,452 |
| **Current portion of deferred revenue** | **13,834** | 11,206 |
| Non-current portion of deferred revenue related to long-term contracts | **10,103** | 8,688 |
| **Non-current portion of deferred revenue** | **10,103** | 8,688 |
| **Total deferred revenue** | **23,937** | 19,894 |

For the six-month period ended June 30, 2025, $5,375 (2024 - $8,403) of revenue was realized in relation to the deferred revenue balance outstanding at the beginning of the period.

## 5. Long-Term Debt

| | **June 30 2025** | December 31 2024 |
|---|---|---|
| | **$** | $ |
| Senior secured revolving facility of $154,000 with a syndicate of banks, maturing in March 2029 | **105,500** | 105,500 |
| Subordinated term loan with Investissement Québec, maturing in March 2028 | **15,000** | 15,000 |
| Interest-free loan from Investissement Québec, maturing in February 2030 | **1,339** | 1,210 |
| Interest-free loan from Canada Economic Development for Quebec Regions, maturing in December 2032 | **1,122** | 493 |
| | **122,961** | 122,203 |
| Less current portion of long-term debt | **-** | - |
| | **122,961** | 122,203 |

**Senior secured revolving facility**
In March 2025, the Company signed a senior secured multi-currency revolving credit facility of $154,000 maturing in March 2029 to replace its existing $124,000 senior secured revolving facility maturing in April 2026. At any time, the Company has the option to request that the credit facility be expanded through the exercise of an additional $50,000 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, SOFR or CORRA, 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 June 30, 2025 and December 31, 2024, the Company had met all covenants.

**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 June 30, 2025 and December 31, 2024, 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 June 30, 2025 and December 31, 2024, the Company has met all covenants.

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

**Interest-free loan from Canada Economic Development for Quebec Regions**

In March 2025, the Company received CA$ 1,258 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, bringing the Company's total drawdown to CA$ 2,475. 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 | | Six months | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| | **$** | $ | **$** | $ |
| Wages and salaries | **15,955** | 16,053 | **31,444** | 30,393 |
| Depreciation of property, plant and equipment | **2,935** | 2,571 | **5,742** | 5,056 |
| Depreciation of right-of-use assets | **670** | 656 | **1,317** | 1,293 |
| Amortization of other assets | **37** | 61 | **361** | 124 |
| Other expenses (income), net | | | | |
| Amortization of intangible assets | **719** | 822 | **1,393** | 1,645 |
| Share-based compensation expense | **(807)** | (15) | **586** | 345 |
| Loss on disposal of property, plant and equipment | **9** | 25 | **16** | 27 |
| Loss on remeasurement of financial instrument (Note 10) | **1,000** | - | **1,000** | - |
| Impairment of non-current assets[(1)] | **-** | 307 | **-** | 307 |
| Research and development, net of tax credit[(2)] | **1,191** | 1,213 | **2,300** | 2,297 |
| ERP Implementation costs[(3)] | **156** | - | **316** | - |
| Other income | **(17)** | (23) | **(35)** | (42) |

(1) During the second quarter of 2024, the Company recorded an impairment of non-current assets of $307 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 discontinue construction of the asset.

(2) Research and development, net of tax credit was reduced by an amount of $385 and $778 for the three and six-month periods ended June 30, 2025 resulting from research and development subsidies. There is an outstanding receivable related to this grant as at June 30, 2025 for an amount of $2,359 included within Accounts receivable.

Research and development, net of tax credit was reduced by an amount of $338 and $698 for the three and six-months period ended June 30, 2024 resulting from research and development subsidies.

(3) ERP implementation costs of $156 and $316 were incurred in relation to its Montreal site for the three-month and six-month periods ended June 30, 2025.

## 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 | | Six months | |
|---|---|---|---|---|
| **Numerators** | **2025** | 2024 | **2025** | 2024 |
| | **$** | $ | **$** | $ |
| **Net earnings for the period** | **15,227** | 4,789 | **24,800** | 7,296 |

| | Three months | | Six months | |
|---|---|---|---|---|
| **Denominators** | **2025** | 2024 | **2025** | 2024 |
| **Basic weighted average number of shares** | **89,056,263** | 88,818,002 | **89,049,569** | 88,775,869 |
| Dilutive effect: | | | | |
| Stock options | **822,119** | 785,003 | **810,211** | 739,298 |
| **Diluted weighted average number of shares** | **89,878,382** | 89,603,005 | **89,859,780** | 89,515,167 |

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

For the three and six-month periods ended June 30, 2025, 68,219 stock options were excluded from the diluted weighted average number of shares due to their anti-dilutive effect.

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

## 8. Operating Segments

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

| | Three months | | Six months | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| | **$** | $ | **$** | $ |
| Specialty Semiconductors | **71,213** | 52,340 | **134,017** | 97,490 |
| Performance Materials | **24,098** | 22,240 | **50,182** | 42,109 |
| **Total revenue** | **95,311** | 74,580 | **184,199** | 139,599 |
| | | | | |
| Specialty Semiconductors | **18,985** | 13,072 | **36,675** | 22,629 |
| Performance Materials | **8,027** | 3,859 | **14,105** | 8,771 |
| Corporate and unallocated | **(2,866)** | (3,441) | **(5,842)** | (6,173) |
| **Adjusted EBITDA** [(1)] | **24,146** | 13,490 | **44,938** | 25,227 |
| Interest on long-term debt, imputed interest and other interest expense | **2,353** | 1,874 | **5,070** | 4,080 |
| Share-based compensation (recovery) expense | **(807)** | (15) | **586** | 345 |
| Foreign exchange gain | **(97)** | 2 | **(811)** | (385) |
| Depreciation and amortization | **4,324** | 4,049 | **8,452** | 7,994 |
| Loss on remeasurement of financial instrument (Note 6 and Note 10) | **1,000** | - | **1,000** | - |
| Impairment of non-current assets (Note 6) | **-** | 307 | **-** | 307 |
| ERP implementation costs (Note 6) | **156** | - | **316** | - |
| **Earnings before income tax** | **17,217** | 7,273 | **30,325** | 12,886 |

(1) Earnings before income tax, depreciation and amortization, share-based compensation expense (recovery), ERP implementation costs, impairment of non-current assets and financial expense (income).

| | Three months | | Six months | |
|---|---|---|---|---|
| **Capital expenditures** | **2025** | 2024 | **2025** | 2024 |
| | **$** | $ | **$** | $ |
| Specialty Semiconductors | **1,271** | 4,507 | **2,880** | 12,374 |
| Performance Materials | **499** | 807 | **3,285** | 1,856 |
| Corporate and unallocated | **1,933** | 7 | **1,933** | 47 |
| **Total** | **3,703** | 5,321 | **8,098** | 14,277 |

| **Assets excluding deferred tax assets** | **June 30 2025** | December 31 2024 |
|---|---|---|
| | **$** | $ |
| Specialty Semiconductors | **243,306** | 199,224 |
| Performance Materials | **150,645** | 146,788 |
| Corporate and unallocated | **28,546** | 23,537 |
| **Total** | **422,497** | 369,549 |

**(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 six-month periods ended June 30, 2025 and 2024, and the identifiable non-current assets as at June 30, 2025 and December 31, 2024 are summarized as follows:

| | Three months | | Six months | |
|---|---|---|---|---|
| **Revenues** | **2025** | 2024 | **2025** | 2024 |
| | **$** | $ | **$** | $ |
| Asia | | | | |
| China | **3,802** | 3,376 | **6,829** | 5,913 |
| Japan | **1,859** | 1,190 | **3,837** | 2,502 |
| Other[(1)] | **13,368** | 3,205 | **18,478** | 8,535 |
| Americas | | | | |
| United States | **40,988** | 36,527 | **88,144** | 66,968 |
| Other | **3,608** | 2,053 | **6,797** | 3,927 |
| Europe | | | | |
| Germany | **16,638** | 16,038 | **32,008** | 27,269 |
| Belgium | **1,301** | 1,715 | **3,468** | 3,334 |
| France | **689** | 327 | **2,206** | 759 |
| Other[(1)] | **12,108** | 7,474 | **20,361** | 16,025 |
| Other | **950** | 2,675 | **2,071** | 4,367 |
| **Total** | **95,311** | 74,580 | **184,199** | 139,599 |

(1) None exceeding 10%

| **Non-current assets (other than deferred tax assets and financial instruments)** | **June 30 2025** | December 31 2024 |
|---|---|---|
| | **$** | $ |
| Asia | **2,878** | 3,007 |
| United States | **10,272** | 11,090 |
| Canada | **32,777** | 29,556 |
| Germany | **114,049** | 104,994 |
| **Total** | **159,976** | 148,647 |

For the three and six-month periods ended June 30, 2025, one customer represented approximately 33% and 32% (2024 – 27%) of revenues, all of which is within the Specialty Semiconductors segment.

## 9. Supplemental Cash Flow Information

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

| | Six months | |
|---|---|---|
| | **2025** | 2024 |
| | **$** | $ |
| (Increase) decrease in assets: | | |
| Accounts receivable | **(14,072)** | (7,880) |
| Inventories | **(71)** | (11,019) |
| Income tax receivable | **961** | 81 |
| Other current assets | **725** | 770 |
| Increase (decrease) in liabilities: | | |
| Trade and accrued liabilities | **46** | (2,941) |
| Income tax payable | **5,262** | 924 |
| Deferred revenue | **1,159** | 800 |
| **Net change** | **(5,990)** | (19,265) |

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

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

| | Six months | |
|---|---|---|
| | **2025** | 2024 |
| | **$** | $ |
| Excluded additions unpaid at end of the period: | | |
| Additions to property, plant and equipment | **539** | 847 |
| Included additions unpaid at beginning of the period: | | |
| Additions to property, plant and equipment | **344** | 1,214 |
| Excluded non-cash proceeds on the disposal of | | |
| Property, plant and equipment | **-** | 200 |

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

| | Six months | |
|---|---|---|
| | **2025** | 2024 |
| | **$** | $ |
| Additions to property, plant and equipment before prepayments | **8,098** | 13,733 |
| Prepayments for construction in progress | **-** | 544 |
| Additions to property, plant and equipment | **8,098** | 14,277 |

As at June 30, 2025, property, plant and equipment includes $225 of prepayments for construction in progress ($669 as at December 31, 2024).

For the six-month period ended June 30, 2025, additions to property, plant and equipment included government assistance of $345 ($1,332 for the six-month period ended June 30, 2024) 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 June 30, 2025** | **Level 1** | **Level 2** | **Level 3** |
|---|---|---|---|
| | **$** | **$** | **$** |
| Financial assets | | | |
| At fair value through profit or loss | | | |
| Total return swap(1) | **-** | **3,131** | **-** |
| Investment in equity instruments(2) | **-** | **-** | **2,000** |
| Restricted investment(3) | **-** | **-** | **576** |
| **Total** | **-** | **3,131** | **2,576** |

| As at December 31, 2024 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| | $ | $ | $ |
| Financial assets | | | |
| At fair value through profit or loss | | | |
| Total return swap(1) | - | 6,978 | - |
| Investment in equity instruments(2) | - | - | 3,000 |
| Restricted investment(3) | - | - | 507 |
| Total | - | 6,978 | 3,507 |

(1) In February 2025, the Company received $6,898 upon the settlement and renewal of its Total return swap.

The Company utilizes the total return swap 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 June 30, 2025, the total return swap covered 2,571,569 common shares of the Company.

(2) In June 2025, a remeasurement loss on financial assets was recorded for $1,000 based on the revised estimates of the fair value of the Company's equity instrument in Microbion to reflect the increased difficulties for pharmaceutical research companies to raise capital. As at June 30, 2025, the Company's stake in Microbion Corporation (Microbion), recorded in Other assets, was valued at $2,000 ($3,000 as at December 31, 2024).

(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 $261 as at June 30, 2025 ($190 as at December 31, 2024).

### 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.