Performance Materials

Fast forwarding the clean energy transition as a global leader in rare earth magnetics & critical materials

A Generational Opportunity

Disclaimer

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This presentation refers to certain non-IFRS financial measures such as “Operating Income”, “Adjusted Net Income”, “EBITDA”, “Adjusted EBITDA”, and “Adjusted EBITDA Margin”. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS, and may not be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS financial measures by providing further understanding of Neo's results of operations from management's perspective. Neo's definitions of non-IFRS measures used in this news release may not be the same as the definitions for such measures used by other companies in their reporting.

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Intro to Neo

Performance Materials

Neo at a Glance

Neo is an advanced materials science, engineering & manufacturing company, with a focus on **rare earth magnetics and other critical materials.**

Global Leader in Rare Earth Magnetics Industry

- Developing and manufacturing **rare earth magnetics for 30+ years**
- Only operator of **parallel supply chains** – both inside and outside of China
- **Most integrated** rare earth magnetics company across the value chain

Global Leader in Rare Earth & Rare Metal Product Applications

- Only company to **separate rare earths** both inside and outside of China
- **Top 3** producer of environmental emissions control catalysts
- **Top recycler** of Hafnium and Gallium rare metals outside of China
- Only company offering **global supply chain optionality** to our customers

Business Unit Organization

neo Performance Materials

Magnequench ("MQ")
Manufactures rare earth magnetic powders and magnets, supplying automotive and other motor applications

Chemicals & Oxides ("C&O")
Produces separated rare earth oxides and manufactures specialty chemicals for automotive and other applications

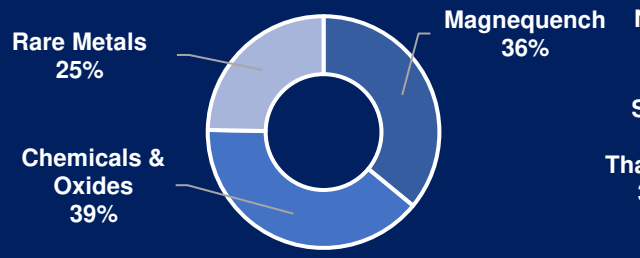
Rare Metals ("RM")
Produces and recycles high-grade specialty metals used in semiconductor and aerospace applications

Neo at a Glance

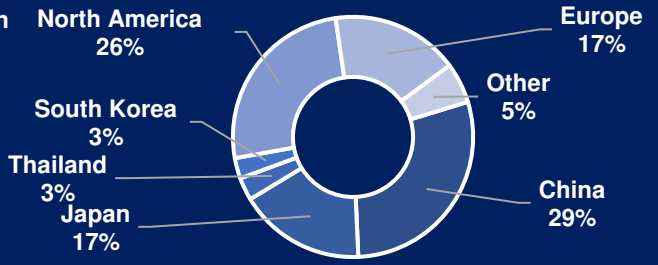
Headquarters	Toronto, Canada
Publicly Traded Exchange	TSX: NEO.TO
Global Footprint	Canada, China, Estonia, Japan, Germany, South Korea, Thailand, Singapore, United Kingdom, United States
Employees	1,866
Market Cap	CAD $310.5 million
Cash (incl. Restricted)	USD $116 million (Q3 2023)
Inventory	USD $197 million
52-Week Price Range	CAD $6.70 – 12.15
Recent Share Price	CAD $7.32
Shares Outstanding	42,424,892 (Fully Diluted: 44,530,048)

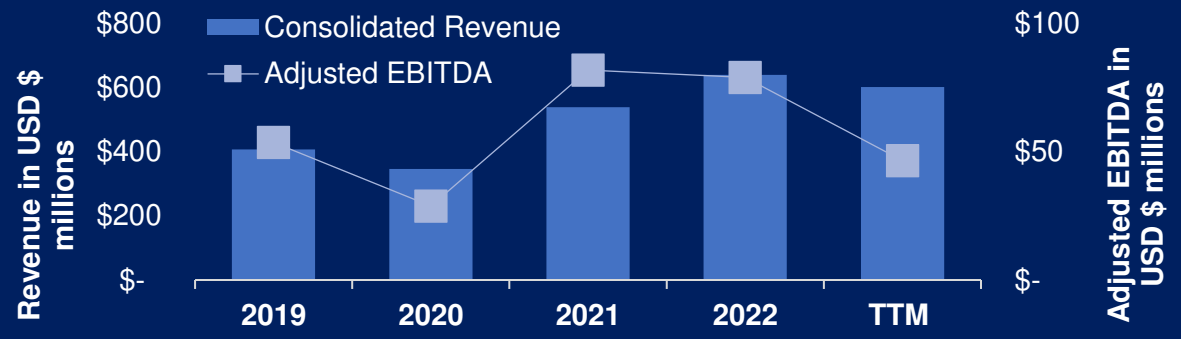
As of November 6, 2023

Revenue by Segment (LTM)



Revenue by Geography (LTM)





Analysts Covering Neo:

- **Canaccord Genuity:** Yuri Lynk
- **Cormark Securities:** David Ocampo
- **Stifel GMP:** Ian Gilles
- **Raymond James:** Frédéric Bastien
- **Paradigm Capital:** Marvin Wolff

Globally Distributed & Parallel Supply Chain

Global manufacturing in low-cost jurisdictions. Global engineering centers at talent hubs: Singapore, UK, Estonia, Canada. Global sales offices that speak language of our customers – literally & technically.

Magnequench ("MQ")

Outside China	Inside China
Thailand: Manufacturing magnetic powders for energy-efficient motors and magnetic metals	**Tianjin (China):** Manufacturing magnetic powders and bonded magnets
United Kingdom: Manufacturing ultra-dense magnets and specialty magnetic assemblies	**Chuzhou (China):** Manufacturing specialty bonded magnets and magnetic assemblies
Estonia: Manufacturing EV motor magnets *(under construction)*	

Chemicals & Oxides ("C&O")

Outside China	Inside China
Estonia: Separation of beneficiated ore into light rare earth oxides and other specialty products	**Zibo (China):** Production of specialty rare-earth-based chemicals for automotive emissions control catalysts
Japan: Technical sales office	**Jiangyin (China):** Separation of beneficiated ore into both light and heavy rare earth oxides
	Zibo (China): Separation of beneficiated ore into light rare earth oxides

Rare Metals ("RM")

Outside China	Inside China
Canada: Recycling and refining Gallium at semiconductor grade	
Germany: Recycling and refining Hafnium and Rhenium at aerospace grade	
Estonia: Production of Niobium and Tantalum metals at aerospace and microelectronic grade	

Neo offers customers supply chain optionality – inside & outside of China

Growth Drivers

Neo's products deliver magnetic, catalytic, luminescent, electrochemical, and enhanced thermal stability properties that enable technologies considered vital to each of these growth drivers.

Electric Vehicles

Municipal Water Treatment

GHG Emissions Reduction

Energy-Efficiency Residential & Industrial Applications

Renewable Energy

With experience supplying these growing markets, Neo can amplify the value it captures from its product mix

Macro Megatrends Paving our Growth Path

Rare Earths are considered a Critical Material in all major Western economies

1 Energy Transition and Electric Vehicles

- New electric vehicles globally increase from **11 million in 2023** to **63 million by 2030***
- Rare earth magnets are present in 85% of EV motors today
- Net Neutral 2050 targets require significant changes in energy efficiency in all motorized applications

** Bank of America, Nov 2023*

2 Customers Requiring Supply Chain Diversification

- Rest-of-world imports 90+% of its rare earth magnets from China
- All major OEMs have told us that they cannot depend on one single jurisdiction for their magnets needed for made-in-EU/US vehicles
- Industry convention for automotive and other clean tech OEMs is at least 4 individual supplier options and 3 sourcing countries

3 Public Policy Tailwinds

- EU's *Critical Raw Materials Act* set targets for OEMs to source:
  - no more than 60% of magnets from one country outside the EU,
  - 40% of processed material to originate domestically, and
  - 15% from recycled sources
- United States' *Inflation Reduction Act* incentivizes near-shoring of electric vehicle, renewable energy & clean tech manufacturing at large

Neo's geographical presence and asset mix help capture value from these macro megatrends

Strategic Initiatives in Current Period – Q4 2023

Creating laser **focus** and **accountability**

Change in Internal Focus and Management:

- New Chief Executive Officer *(former CFO & President)*
- New Chief Financial Officer
- New SVP Global Human Resources
- New Executive VP for Rare Metals
- New Board Member

Short-term Accountabilities (H1 2024 Targets):

- 1-3 MOUs with new, flagship customers for advanced materials
- 1-3 additional offtake agreements for rare earth magnet supply chain
- 2-3 changes in our manufacturing footprint and operational strategy announcements

Focus on Strategic Initiatives:

- Laser focus on growth in sintered magnets
- Changes in operating focus to improve working capital and operational efficiency

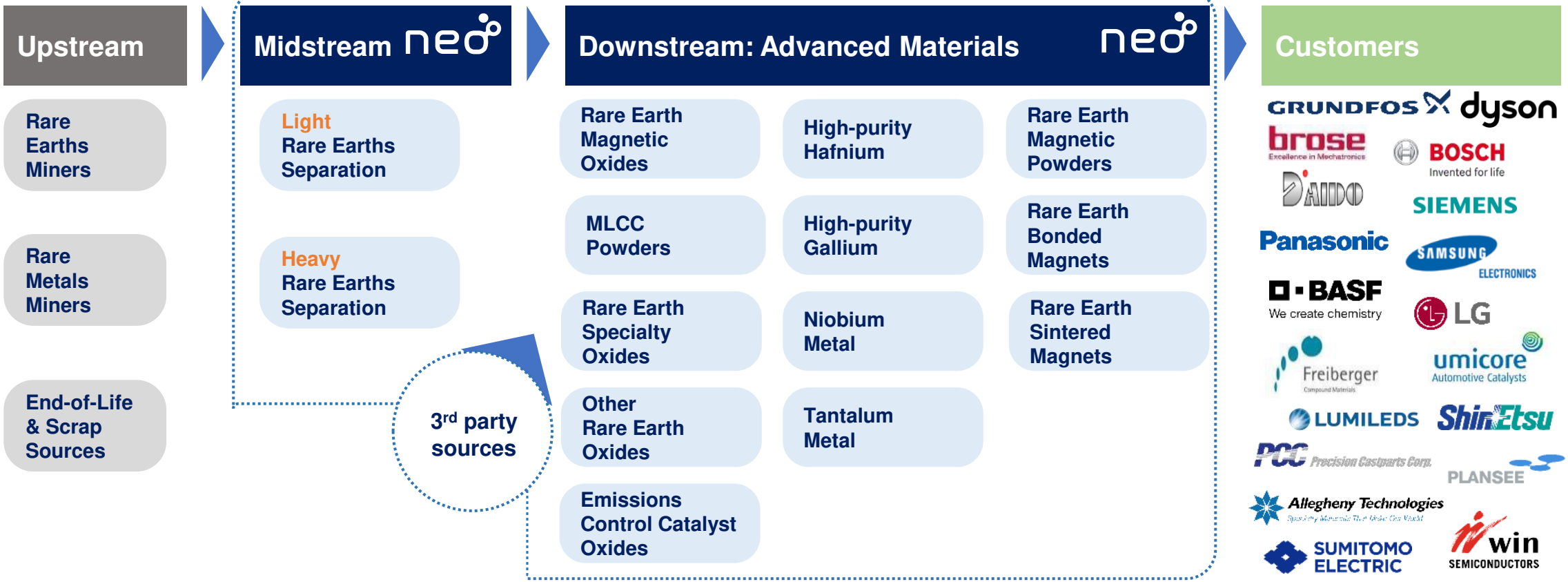
Increase in Shareholder & Media Awareness:

- New approach to investor relations and engagement
- New public education on rare earth magnets and media campaign
- Increased focus on government and industry relations

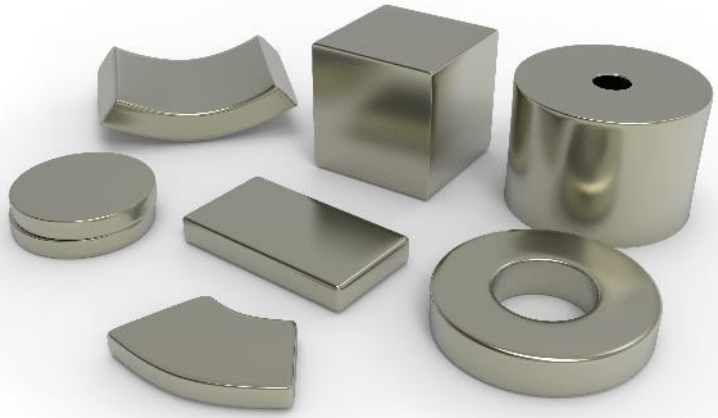
Accountability to shareholders, to get things done

Neo's Value-Add Position in the Supply Chain

Non-captive midstream & downstream assets offer **supply chain resiliency** and **optionality** to our customers.



Neo is focused on advanced, value-add processing of Critical Materials



Laser Focus on Rare Earth Magnetics & Growth Outside of China

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Why are Rare Earth Magnetics important for EVs/PHEVs

neo Performance Materials

Rare Earth Magnets are to EV Traction **Motors**, what Lithium & Cobalt are to Batteries

EV Traction Motors

- 1-2kg of rare earth magnet in EV traction motor
- Majority of EV motor OEMs are deploying or designing rare-earth-magnet-based drivetrains – either sintered NdFeB with Dy/Tb, or hot pressed NdFeB without heavies (e.g. Daido/Honda)

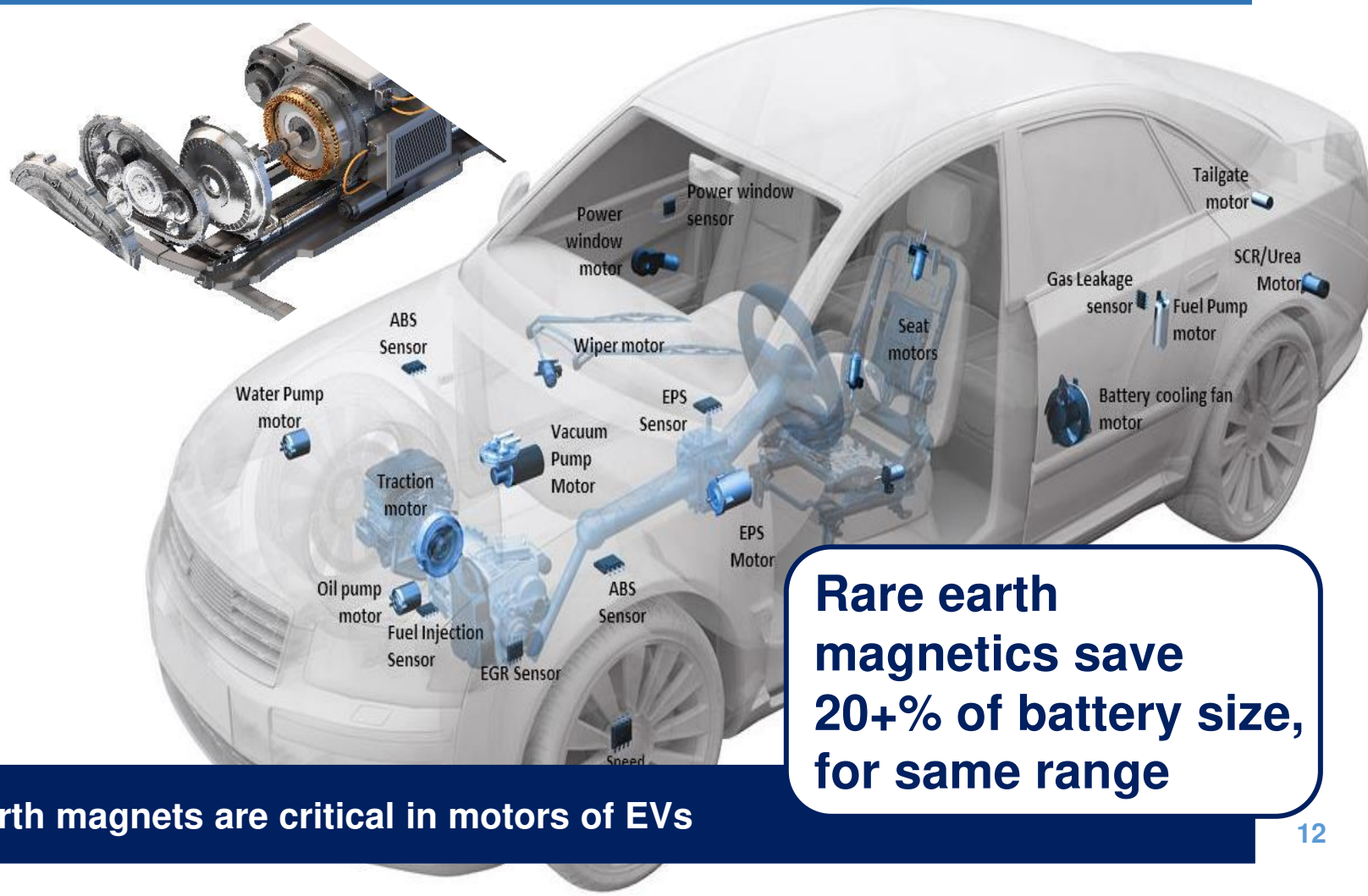
Brushless DC (BLDC) Motors

- Adoption of Automated Guided Vehicles (AGVs) and Autonomous Mobile Robots (AMRs) will increase demand for BLDC using rare earths
- They offer better safety from less electrical interference, less dust and arcing issues, and assist emergency breaking

Other Motors

Continued growth in bonded magnet applications:

- Pumps
- Sensors
- Seat/window motors
- Cooling fans for microelectronic and battery assemblies

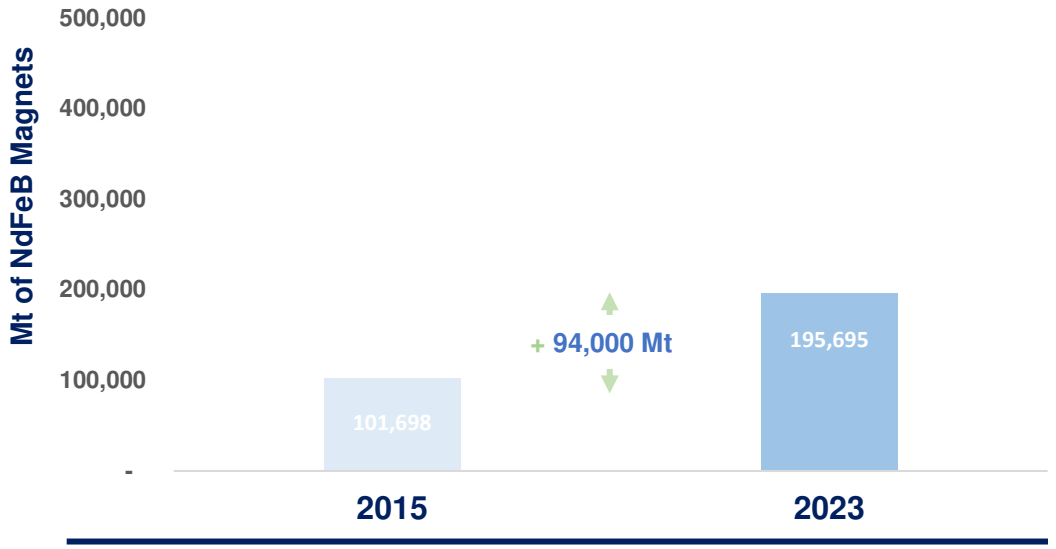


Rare earth magnetics save 20+% of battery size, for same range

Rare earth magnets are critical in motors of EVs

Understanding the Rare Earth Magnet Growth Curve

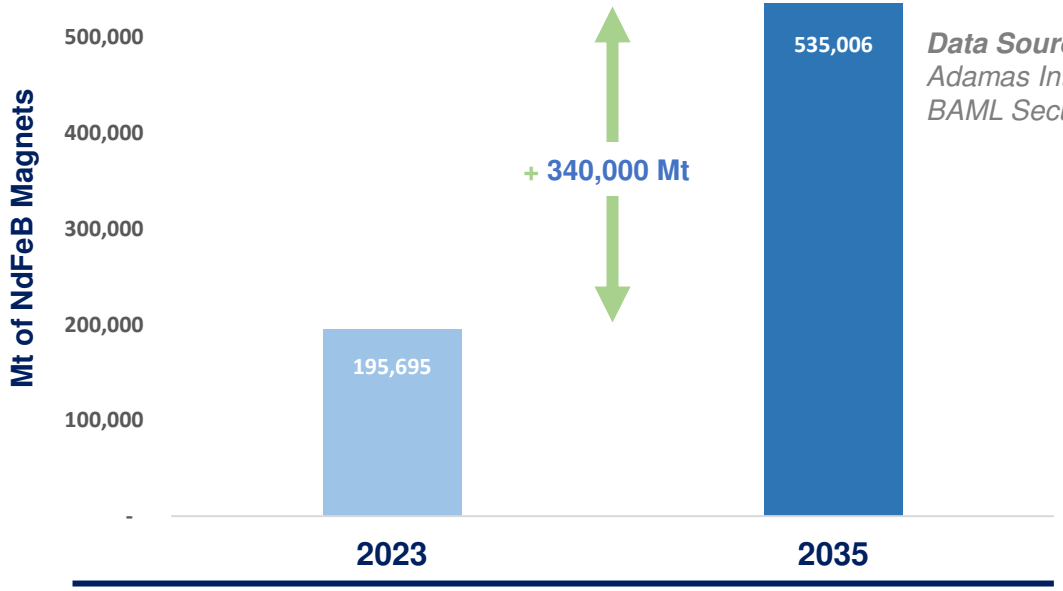
Where are rare earth magnetics used today?



Dominant demand drivers:

- Automotive Interior Micromotors & Sensors
- Industrial Motors, Pumps & Compressors
- Cordless Powertools
- Consumer Electronics
- Consumer Appliances
- Car Speakers

What does tomorrow look like?



Data Sources:
Adamas Intelligence, BAML Securities

Fast-growing dominant demand drivers:

- Passenger EVs
- Commercial EVs
- Other E-Mobility
- Wind Power Generators

Existing applications continue to grow:

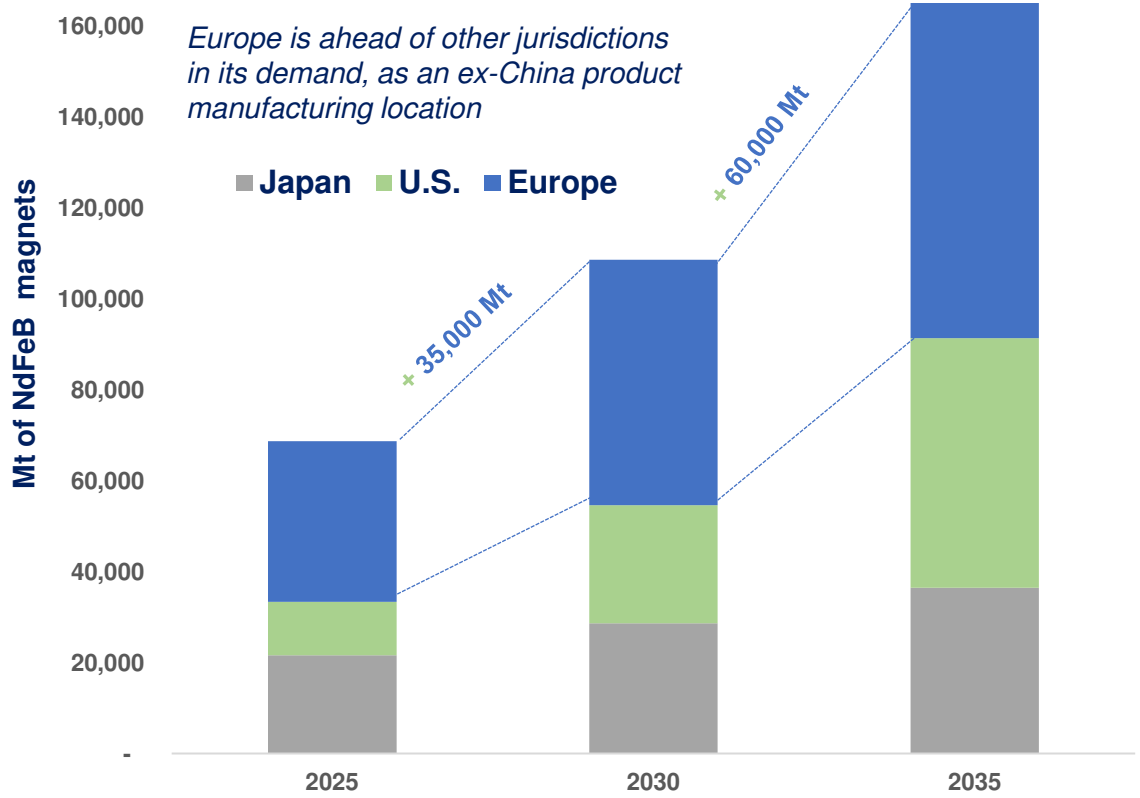
- Automotive Micromotors & Sensors
- Industrial Motors, Pumps & Compressors
- Cordless Powertools
- Consumer Electronics
- Consumer Appliances
- Car Speakers

Generational opportunity with growth in rare earth magnetics

Neo's New Positioning in the EV Magnet Growth Curve

An example of Neo's growth opportunities in rare earth magnetics.
Consider Neo's magnet offering for the EV traction motor market in Europe & North America.

NdFeB Magnet Demand ex-China



EV Magnet ex-China Market Opportunity:

EV motors produced in North America and Europe by 2035: **40M EV**

×

Average motor content of Sintered NdFeB Magnet: **1.5 kg / EV**

×

Average Selling Price of Magnet: **$ 80+ / kg**

Market Size by 2035, ex-China:
(conservative base case) **$ 5-6 billion**

Data Sources: *Adamas Intelligence, BAML Securities*

Neo's Goal: to capture **at least 15%** of this market, i.e. **$800+M revenue** from EV motor magnet sales

How the ex-China EV motor magnet market unfolds

What does it take to win business in this market space?

- **Integrated ex-China Supply Chain:** operating dual supply chain – inside and outside of China – along the value chain of rare earth permanent magnets
- **Proven Magnetics Competency:** R&D, commercialization and manufacturing experience in rare earth permanent magnetics
- **Track Record in Automotive Sales:** experience and know-how in product development and qualification in the automotive sector – known for its high standards and challenges

2035 Competitor Landscape for EV Magnets Sold ex-China

Note: Company list includes most visible industry participants in news coverage

Current commercialized rare earth value chain, ex-China

Neo Performance Materials

Neo is already the company with the most integrated presence in the value chain, with non-captive assets

Mining

Neo is not a mining company, but many other companies are tackling the upstream supply:

In production: Lynas Rare Earths, MP Materials, Serra Verde, Hastings Technology Metals Limited, Vietnam Rare Earth JSC

Energy Fuels, Tronox, Rainbow Rare Earths, NioCorp, Australian Rare Earths, aclara, Northern Minerals, Vital Metals, ASM, Mkango, Frontier Rare Earths, Pensana Rare Earths, Peak Rare Earths, Finnish Minerals Group, ionic Rare Earths, Commerce Resources, Geophysx, Namibia Critical Metals, Minviro, Torngat Metals, Search Minerals, American Resources Corporation, E-Tech Resources, Gecko Namibia, Arafura Rare Earths, USA Rare Earth, REE Minerals, Rare Earths Norway, Mosaic, enova mining limited, Appia, Meteoric Resources, TMR Texas Mineral Resources Corp., ucore, Greenland Minerals Ltd

Separation

Neo is the only company with separation currently operating:

- ✓ plants both inside and outside of China, and
- ✓ experience in both light and heavy rare earths

Neo Performance Materials

Lynas Rare Earths, Energy Fuels, MP Materials, Solvay

Metals & Alloys

Neo currently produces metals in a JV, outside of China

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Shin-Etsu, LCM less common metals

Magnets

Neo currently produces magnetics both inside and outside of China

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VAC Vacuumschmelze, Shin-Etsu, Daido Electronics, Proterial, TDK

Specialty Oxides

Neo Performance Materials, Solvay, Blue Line Corporation

Recycling

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Neo currently employs closed-loop recycling both inside and outside of China

Shin-Etsu

Magnet Customers

Schaeffler, PSA Groupe, Grundfos, wilo, brose, Bosch, dyson, Daido, Siemens, Mitsubishi, Panasonic, Samsung Electronics, Tesla, Ford, LG, GE, ZF, Vestas, gm, Lockheed Martin, General Atomics

Oxide Customers

BASF We create chemistry, umicore Automotive Catalysts, neowaterfx

Neo's Proven Magnetics Competency

Neo has more rare earth advanced degrees and technical experts across processing, metallurgy, and magnetics than any other company outside of China or Japan.

First-of-its-kind EV Motor-Magnet Customer Case:
Traction Motor Magnets *Without* Heavy Rare Earths

Neo's Magnequench co-developed the **first-of-its-kind**, HREE-free magnet for a traction motor for our customer Daido/Honda

Complex Motor-Magnet Design Customer Case:
Ultra-High-Speed Motor, major cost savings innovation

Confidential Customer ($8 Billion Motor OEM)

Motor Magnet Design Challenge: Customer's magnet portfolio was not able to withstand the centrifugal force for their new ultra-high-speed motor design, while manufacturing cost was not meeting target threshold.

Neo Magnequench's Unique Solution: Customer turned to Neo to develop an unprecedented magnet design for this complex engineering challenge. Neo's chemical process engineering and applied magnetics R&D teams were able to develop a product that withstands the centrifugal forces. Neo's custom developed magnet saved the use of carbon fiber sleeve on exterior of magnet, ultimate saving significant costs from overall motor design and improving performance.

Neo's magnetics team includes 500+ production line staff, 100+ scientists, and 100+ process engineers

Neo's First ex-China Sintered Magnet Plant for EVs

Construction is on budget, and on schedule

Currently building an industrial-scale sintered NdFeB magnet manufacturing in Estonia that benefits from:

- **Co-location** with current **Separations** facility (15 mins away)
- In-house **Metal-making**
- **Expedited EV platform qualification** program based on Magnequench's three decades experience in magnet production and automotive sales

Phase 1: 2,000 t/year magnet block capacity primarily for EV traction motors, in production starting 2025

Phase 2: 5,000 t/year

- Speed-to-construction significantly faster, as the property for Phase 2 is the same, pre-permitted, and with preliminary works conducted as part of Phase 1.

*"Just last year, I was in Narva announcing the first award decision by the European Union's Just Transition Fund to Neo. And today, we already celebrate the ground-breaking of this project. **Neo Performance Materials**, a Canadian company, is constructing a rare earth magnet plant right here.*

This is the first large-scale magnet facility at the specifications of European automotive outside Asia. It is a leap for Estonia and a stride for Europe. The rare earth magnets that will be produced here are indispensable to growth and innovation in sectors like electric mobility. They promise lighter batteries, less consumption of critical materials, and higher energy efficiency."

Ursula von der Leyen, *President of the EU Commission* - June 28, 2023

Co-funded by the European Union

EDC Export Development Canada

At Phase 1 nameplate capacity production of Sintered Magnets in Estonia, Neo expects $100-150M revenue

Business Units in Focus

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Business Unit Focus: Magnequench

Neo Performance Materials

Neo's Magnequench is currently the **#1 market leader** for rare earth magnetic powders for bonded and hot deformed NdFeB magnets

- **Original founder of the NdFeB magnet, 37 years ago:** Founded within General Motors in 1986, it was spun-out in the mid-90s as an independent company. Magnequench joined the Neo family in 2005.
- **Manufacturing** and **R&D operations** both **inside and outside of China**
- Track record of successful **acquire-and-grow** strategy in niche markets where it has the potential of becoming a market leader
- Neo's magnetics team includes 500+ **production line staff**, 100+ **R&D scientists**, and 100+ **process engineers**.
- Engineering solution for development and manufacturing heavy-free rare earth magnets

Applications of Products

High Efficiency Water Circulation Pumps & Motors

Residential Appliances

Vehicle Pumps, Sensors & Motors

Industrial Automation

Neo's Magnequench has the most strategic assets, globally versatile supply agreements, technical expertise and sales experience than any magnet company outside of China and Japan

Business Unit Focus: Magnequench

Strategic M&A in growth areas with thoughtful post-merger integration

Acquisition of AsiaMag in 2019 *(Chuzhou, China)*

- The acquisition of AsiaMag (Chu Zhou, China) in Q4 2019 marked Neo's beginning in making bonded magnets.
- With Neo's operational discipline and commercialization ability, by the end of Q3 2023, we had increased the volume **5-fold** to establish ourselves as one of the top 5 largest bonded magnet makers in China.

Acquisition of SGTec in 2023 *(Essex, United Kingdom)*

- The acquisition of SGTec (Essex, United Kingdom) in Q2 2023 advances Neo's knowledge in rare earth magnets for soft magnetic composites, ultra-high-density magnetics, proprietary technical specs for bonded magnets, and automated solenoid magnetic assemblies.
- Launching product development dialog with SGTec's current and past high-profile customers:

Neo knows how to scale differentiated assets in the rare earth magnet value chain

Business Unit Focus: Chemicals & Oxides

Parallel supply chain, with focus on rare earth separation and rare-earth-based advanced products.

- Only company to have rare earth separation capabilities **both inside and outside of China**
- **Heavy** rare earth separation capabilities
- Largest **non-captive** separation facility outside China
- **Three decades** of experience in rare earth production
- Track record in rare earth **supply chain development**:
  - Currently most globally diversified rare earth sourcing
  - Offtakes and MOUs with numerous up-and-coming projects
  - Primary flowsheet development partner for mining companies
- Advanced material formulation and value-add focus, not commoditized rare earth separation
- Most advanced **R&D** lab and largest **technical salesforce outside of China**
- Development of **human capital talent** with hundreds of people in specialty rare earth chemistry, process engineering, and commercialization
- **Top 3 producer** of Environmental Emissions Control Catalysts

Neo's has the most strategic collection of rare earth separation assets and know-how

Business Unit Focus: Chemicals & Oxides

Critical midstream assets and know-how that supplies our magnet business with oxides and commercialized specialty chemicals for environmental and microelectronic applications.

Environmental Catalysts

Environmental Emissions Control Specialty Catalysts

- Capitalizes on the Hybrid-EV balance of emissions control catalytic material needs
- Captures margins as one of last suppliers and hedges against long-tail EV transition
- State of the Art Manufacturing Facility

Advanced Rare Earth Products

Multi-Layer Ceramic Capacitors

- Enable smaller semiconductor node designs
- More efficient and high temperature capacitance
- If you want more, add in “for design flexibility in advanced electronics”

New Product Development

Municipal Water Treatment Plants

neowaterFX

Fire Retardant Applications

Anti-viral/-microbial Application

Neo’s separation assets are a launchpad for specialty, value-add oxide chemical products

Business Unit Focus: Rare Metals

Neo is the owner and operator of strategic assets in the recycling and high-purity refining value-add steps of critical minerals for growth industries, like semiconductors

- **300+ staff** in a very niche industry that has high barriers to entry due to significant capital investment requirements
- Diversified salesforce, R&D and engineering **outside of China**.
- Hafnium and Gallium recycling and refining operations and productions of critical materials **for semiconductor** and **aerospace** industry.
- Over 30 years of experience in **extractive metallurgy**, and in **development** and **manufacturing** of customized engineered materials

Industries Depending on our RM Products


Aerospace

5G


Medical Imaging


Space Exploration

Customers

Freiberger Compound Materials
win SEMICONDUCTORS
SUMITOMO ELECTRIC
Shin-Etsu
LUMILEDS
PCC Precision Castparts Corp.
PLANSEE
SKYWORKS
Allegheny Technologies
Specialty Materials That Make Our World

Neo's Rare Metals products offer revenue diversification to the rare earth business

Business Unit Focus: Rare Metals

The **only** semiconductor-grade **Gallium producer in North** America – one of handful outside of China. Neo's commercially-operating production is in Canada.

Operating Facility

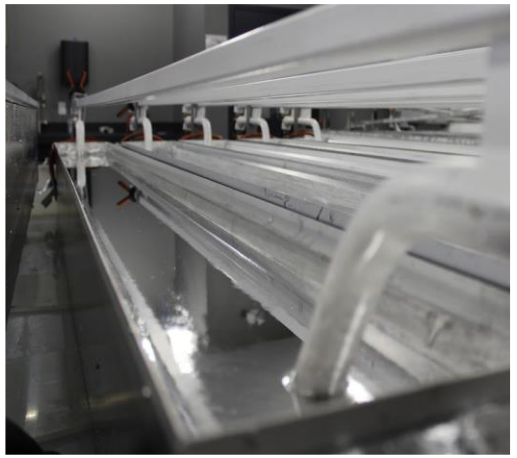
- **Location:** Ontario (Canada)
- **Total Output:** 25 mt per year
- **Feedstock:** GaAs crystal wafers, GaN crystal scrap, GaAs sludge, GaAs sock filters, GaAs SoloFlo filter, GaAs cartridges, CI CuGa turnings/tubes/slabs/chunks, GaSb crystal
- **Products:** Ga metal at 6-8N purities, Ga_2O_3

Proprietary Recycling Technology

- Electro-winning of metallic liquid gallium in customized cells, from sodium gallate or sodium hydroxide electrolyte. Solid state anodes and cathodes.
- **Hydrometallurgy:** Patented, highly flexible leaching and solvent extraction process.
- **Unique feature:** Process operates above mp of Ga, so liquid gallium recovered by opening a valve at bottom of cell = "tapping". Spent electrolyte recycled to SX strip or used in pH modification.

Ultra-High Purity for Semiconductors

- 4N Ga from recycling is upgraded to 5-8N in Peterborough via acid washing and fractional crystallization
- Ultra-high purity Gallium produced in conditioned cleanroom environment.
- 8N purity products for semiconductor wafers analyzed by GDMS, Residual Resistivity Ratio, and ICP-MS.



Neo contributes 5% of global Gallium supply and recycles 25+% of global Gallium-containing scrap

Sustainability at our Core

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Sustainability in our Products

Neo's products truly fast-forward our world's transition to green technologies, by supporting the management of energy reduction/generation and water/air quality.

CO_2-e Abatement via EVs

Empower the annual abatement of half Gigaton CO_2-e with Phase 1 of EV Magnets from Estonia.

Protection of Freshwater

Neo's WaterFX specialty chemicals product helps municipal water treatment plants in reducing algae development in freshwater resources.

Aviation Emissions Reduction

Our Tantalum products used in superalloys help aerospace component manufactures in reducing aircraft weight and equivalently fuel consumption.

ICE Emissions Reduction

Neo's rare-earth-based specialty chemicals are critical advanced materials in emissions control catalysts.

Circular Economy

Our Peterborough facility recycles Gallium waste from semiconductor wafer manufacturing and refines it into high-purity commercialized products in the same value chainy.

Water Circulation Pumps

Our customer Grundfos conducted a Life Cycle Assessment on the impact of using our energy-saving magnetic powders in its new generation water circulation pumps that were sold and installed in buildings. The result: in the EU alone, the energy-saving impact of using our magnetic powders was the equivalent of the power generated by two average nuclear plants.

Neo continuously studies and publishes the environmental impact of its products in applications

Annual, Transparent ESG Reporting at our Customer Standards

Neo's quantitative and qualitative performance of its environmental, social, and governance impact and practices undergoes an annual review & publication process.

GOLD 2023 ecovadis Sustainability Rating
Sillamäe, Estonia

GOLD 2023 ecovadis Sustainability Rating
Korat, Thailand

GOLD 2023 ecovadis Sustainability Rating
Zibo, China

SILVER 2023 ecovadis Sustainability Rating
Tianjin, China

SILVER 2023 ecovadis Sustainability Rating
Jiangyin, China

Occupational Health & Safety: Over past 10 years, the frequency of lost-time incidents has been reduced by more than 80%
GHG Reduction Strategy: Currently undergoing total operational review from an energy consumption and GHG emissions perspective

ecovadis SUPPLIER SUSTAINABILITY RATINGS
GRI STANDARDS
RESPONSIBLE MINERALS INITIATIVE
UN GLOBAL COMPACT United Nations Global Compact
SASB SUSTAINABILITY ACCOUNTING STANDARDS BOARD
TCFD
REFINITIV
S&P Global Ratings

Neo published its second *Annual Sustainability Report* on November 8th, 2023

Corporate & Financial Summary

Performance Materials

Consolidated Financial Statements

Healthy EBITDA, strong cash flow generation, and financial capacity to grow.

	Q-over-Q Comparison		Year-over-Year Comparison	
US$ 000s (excl. Volume & EPS)	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Revenue	$136,917	$146,627	$442,877	$481,130
Adjusted net income (loss)	$4,013	($1,910)	($1,876)	$37,442
Adjusted EBITDA	$13,160	$7,034	$34,122	$66,607
Adjusted EPS	$0.07	($0.09)	($0.16)	$0.80
Cash + Inventories (include restricted cash)	$313,799	$324,915	$313,799	$324,915
Cash Tax Paid	$3,288	$4,436	$11,321	$8,847
Sustaining CapEx	$2,638	$1,123	$5,897	$5,447
Special CapEx *	$4,712	$175	$9,757	$5,111
Dividends Paid to Shareholders	$3,339	$3,523	$10,061	$9,861
Dividend per Common Share	$0.10	$0.10	$0.10	$0.10
Repurchase of common shares under NCIB	$15,482	$0	$16,684	$0

** Special CapEx includes NAMCO relocation, Sintered Magnet plant in Narva (Estonia, EU), and acquisition of SGTec*

While short-term results are impacted by lead-lag, the long-term value-add margins are strong

Financial Performance by Business Unit

Magnequench

	Q-over-Q Comparison		Year-over-Year Comparison	
US$ 000s (excl. Volume)	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Volume *(tonnes)*	1,389	1,097	3,413	3,620
Revenue	$54,414	$67,402	$158,908	$219,828
Operating income (loss)	$2,911	$4,897	$4,943	$27,995
Adjusted EBITDA	$6,042	$7,282	$15,199	$35,384

Chemicals & Oxides

	Q-over-Q Comparison		Year-over-Year Comparison	
US$ 000s (excl. Volume)	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Revenue	$57,812	$52,231	$180,377	$189,244
Operating income (loss)	$6,068	($5,298)	$1,466	$21,324
Adjusted EBITDA	$7,737	($3,863)	$6,088	$25,710

Rare Metals

	Q-over-Q Comparison		Year-over-Year Comparison	
US$ 000s (excl. Volume)	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Revenue	$25,976	$31,567	$104,877	$86,521
Operating income (loss)	$2,749	$5,199	$25,267	$13,186
Adjusted EBITDA	$3,293	$5,797	$26,407	$15,312

Quarter Highlights:

- Volumes remain lower than expected and traditional run-rate due to economic activity in China and selective de-stocking in magnet inventory.
- Finished magnet volumes increase 20% for Q3 2023 relative to Q3 2022.
- Sintered Magnet plant construction project in Narva, Estonia remains on schedule and on budget.

- Rare earth prices stabilized near end of Q3, and older high-cost inventory should no longer be extinguished – this will lead to stronger go-forward margins in rare earth separation.
- Strong quarter for Emission Control Catalyst business.
- NAMCO relocation project on budget and on track to be completed by H1 2024.

- Hafnium prices remain near all-time high, with healthy unit margins. Volumes returned to historical run-rate, after exceptionally high volumes in H1 2023.
- Gallium prices in Rest-of-World (ex-China) increasing due to China's export restrictions, with increasing quote activity from ex-China customers.

Executive Management

Neo's Executive team is comprised by experienced executives in **general management**, **finance**, **operations**, **sales & marketing**, **law**, and **engineering**.

Rahim Suleman
CEO & President
- Former CFO of Neo for 6 years
- Former CFO at Tier 1 automotive suppliers

Jonathan Baksh*
CFO & EVP
- Former Divisional CFO at Celestica
- Alumnus of General Electric's Internal Audit Leadership Program

Kevin Morris
CSO & EVP
- 12 years of executive management at Neo
- Former managing partner of US law firm

Jeff Hogan
EVP for C&O
- 23 years of manufacturing, sales & general management at Neo's rare earth separations and specialty chemicals division

Greg Kroll
EVP for MQ
- 22 years of sales and general management experience at Neo's magnetics division

Mohamad El-Mahmoud*
EVP for RM
- 25+ years career in P&L and product development management at global Tier 1 automotive suppliers

Ali Mahdavi
SVP Capital Markets & IR
- 30 years of capital markets experience
- 20+ years leading investor relations for Neo

* *Joined Neo recently*

The Executive team responsible for growing the business, investing capital, and contributing to the communities Neo operates in

Board of Directors: Non-Executive Directors

Neo Performance Materials

Neo's Board is comprised by current & former senior executives, with backgrounds in **law**, **government**, **accounting**, **finance**, **material science**, and **rare earth industry** management.

Claire Kennedy

Chair of Board

- Former senior partner at major Canadian law firm
- Education in Chemical Engineering
- Chair and director at major private & publicly-listed companies, government bodies, and non-profit boards

Gail Edwards

Audit Committee Chair

- Former CFO of large-cap publicly listed companies
- 20+ years experience in corporate government and audit committees

Yadin Rozov

Director

- 20+ years in corporate finance & governance
- Former CEO of financial services companies
- Education in Materials Engineering

Eric Noyrez

Lead Director

HESS & Compensation Committees Chair

- Former CEO of *Lynas Rare Earths* & *Serra Verde*
- Former Tier 1 automotive executive

Edgar Lee

Corporate Gov'nce & Nominating Committee Chair

- 20+ years in M&A and capital markets
- Former PM of $6B fund at Oaktree Capital Management
- Former CEO of Oaktree's 3 Business Development Companies

Hua Du*

Director

* *Joined Neo recently*

- Current CEO of Asia's leading aquaculture food supplier
- Former President of Global Business Units and Executive of global $15+ Billion turnover chemicals and materials company, with manufacturing value-add rare earth products

The Board is responsible for the stewardship of Neo, ensuring long-term value creation for all shareholders

Building Trust by Addressing Concerns

neo
Performance Materials

Addressing Investor Concerns

Concern 1: Commercial Activities in China

Concern: *Neo has too much concentration of business in China and that is too risky.*

Response:

- Neo does have significant presence in China, where the vast majority of the Rare Earth resources, processing and experts are. It is the biggest supply and demand market.
- Neo operates unique parallel supply chains both inside and outside of China for RE Magnetics and RE SX. Neo's Rare Metals business is entirely outside of China.
- Neo's dependencies on China is over-scrutinized because of Neo's RE-SX origins and its 30 year history started with concentrated activities in China. Neo has been growing assets outside of China (SG Technologies, Silmet, Narva).

Concern 2: RE Price Volatility & Impact on Neo's Earnings

Concern: *Quarterly results are too volatile, unpredictable and highly correlated with RE price movements. Sounds like Neo is really a Rare Earth Commodity player.*

Response:

- Neo is almost entirely a value-add player in the RE Magnetics business. MQ has pass-through provisions for RE commodity price changes on >80% of its business. The volatility in MQ is related to timing of cost/price changes and not value.
- Most of the volatility exists in the RE-SX business – a smaller piece of Neo's business. However, due to price fluctuations, Neo's earnings have been very volatile: e.g. large earnings in RE-SX in 2021 and losses in RE-SX in 2022/2023. These swings overshadow the general strength in Neo's earnings in all business areas.
- Rare earth pricing has been unusually volatile in last two years. Nonetheless, Neo is taking steps to reduce the impact of this volatility on short-term earnings.

Addressing Investor Concerns

Concern 3: Upstream Strategy

Concern: *Neo's growth prospects seem limited by access to Rare Earth carbonate feedstock. Neo is not a mining company. How can Neo get comfort on sourcing of material?*

Response:

- For RE-SX, sourcing of feedstock is a valid issue. Neo has the most globally diversified sourcing, while new mines continue to come on-line for Neo's European SX capability. But RE-SX is a smaller portion of Neo's overall business today – both impact and profitability.
- MQ currently sources only 5%-15% of its magnetic rare earths from Neo's SX business. The rest is sourced from others (inside and outside of China), as is common practice in the magnetics industry in general.
- Having the most integrated supply chain is an advantage to Neo, but is not a limiting factor to Magnequench growth.

Concern 4: MQ Volumes have not been growing

Concern: *The story around RE Magnetics is clearly compelling and indeed generational. But why hasn't that translated in MQ growing volumes in recent history?*

Response:

- In 2022-2023, all RE magnetics suppliers had lower volumes due to short-term economic growth and customer destocking. No change in longer-term forecast for industry.
- MQ has historically focused on Bonded Powders which represent about 5% of total RE Magnetics. Thus, MQ has expanded to Hot Deformed Powders, Bonded Magnets, Magnet Assemblies and now Sintered Magnets.
- In Bonded Powders, MQ's growth has been masked by larger reductions in Legacy Businesses (eg. Hard Disk Drives). This historical decline (from 2,196 mt in 2016 to 648 mt in 2022) is offset growth in magnets for Traction and BLDC motors.

Addressing Investor Concerns

Concern 5: North American Magnet Strategy

Concern: *Others have announced their RE Magnets for North America strategies (and received funding awards) – acknowledging the massive growth prospects in this space. Why has Neo been slow in this regard?*

Response:

- Neo has not announced a North America Magnet Strategy (and accompanying funding) as yet but will, in due course. The market is big and Neo will be a large participant.
- Neo was the first to announce its European Magnet Strategy (ahead of most North America announcements). Neo received Just-Transition-Fund funding in Europe.
- Neo believes the pull from European OEMs for Outside-of-China supply was much stronger than North America OEMs and Neo followed the customer's requirements. Customers pay the bills long-term.

Concern 6: Shareholder and Public Awareness of Neo's Story

Concern: *Neo's story sounds great and the opportunity is immense. Yet, the story hasn't taken hold with the broader market. What is missing in the adoption of Neo's story?*

Response:

- Neo has a generational opportunity in front of it with the right technology, expertise, experience and capacity, yet the market cap is less than Cash + Working Capital and is merely a fractional of the book value of tangible assets – there is something missing.
- Neo will be making more investments in time, energy, money and accountability to increase public awareness, media coverage and shareholder engagement.

Performance Materials