



*Performance Materials*

# Investor Presentation

Fast-forwarding Energy & Digital  
Transformation Technologies

TSX: NEO.TO | May 9, 2025



## Disclaimer

### Forward-Looking Information

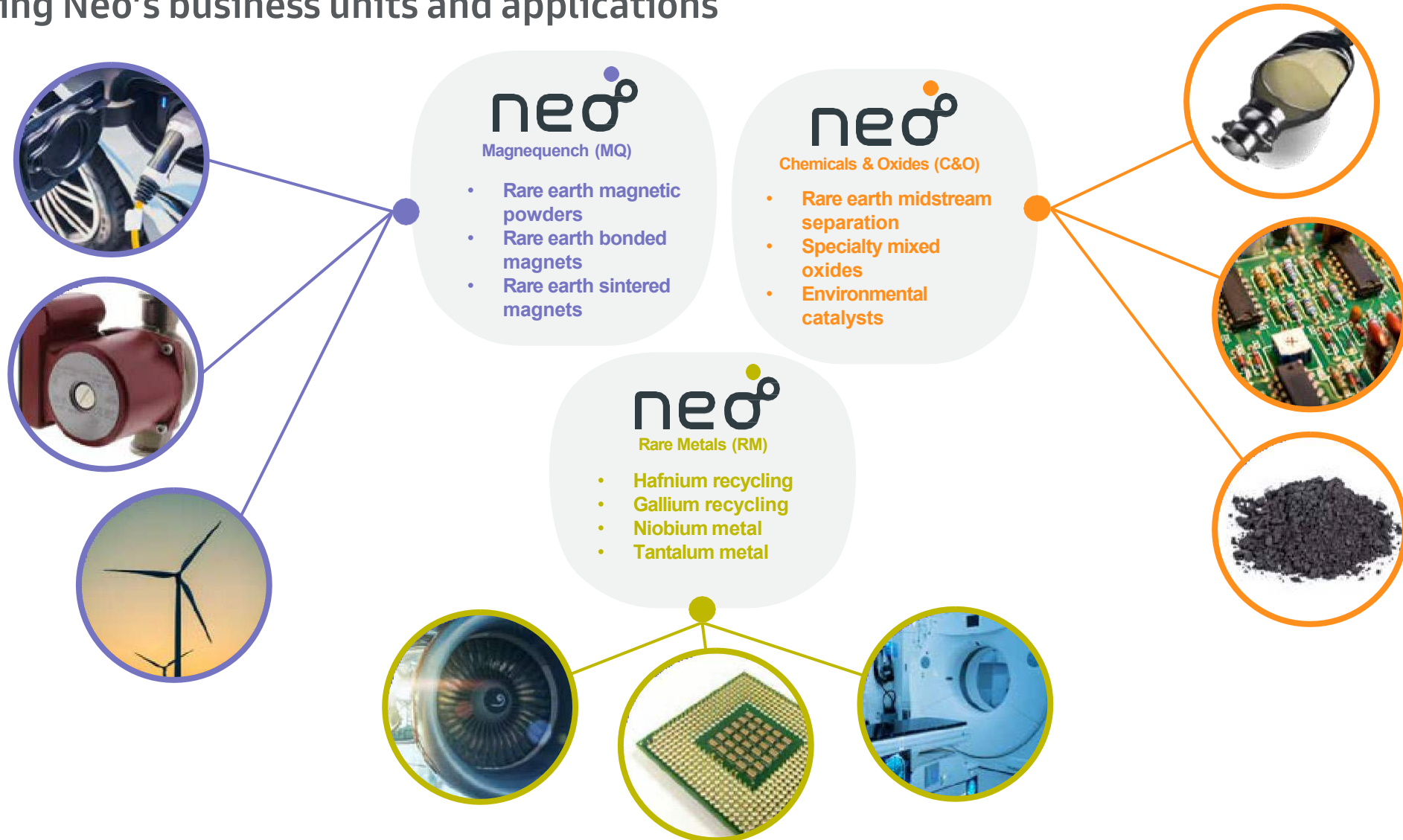
The following presentation contains “forward-looking information” within the meaning of applicable securities laws in Canada. Forward-looking information may relate to future events or future performance of Neo Performance Materials Inc., and its subsidiaries and affiliates (collectively, “Neo”). All statements in this presentation, other than statements of historical facts, with respect to Neo’s objectives and goals, as well as statements with respect to its beliefs, plans, objectives, expectations, anticipations, estimates, and intentions are forward-looking information. Specific forward-looking information in this presentation include, but are not limited to: expectations regarding certain of Neo’s future results and information, including, among other things, revenue, expenses, growth prospects, capital expenditures, and operations; risk factors relating to national or international economies, geopolitical risk and other risks present in the jurisdictions in which Neo, its customers, its suppliers, and/or its logistics partners operate, and; statements with respect to current and future market trends that may directly or indirectly impact sales and revenue of Neo, including but not limited to the price of rare earth elements; expected use of cash balances; continuation of prudent management of working capital; source of funds for ongoing business requirements and capital investments; expectations regarding sufficiency of the allowance for uncollectible accounts and inventory provisions; analysis regarding sensitivity of the business to changes in exchange rates and changes in rare earth prices; impact of recently adopted accounting pronouncements; risk factors relating to intellectual property protection and intellectual property litigation; expectations regarding demand for products and applications; expectations regarding the growth of superconductor materials; the closing and the anticipated timing thereof for the sale of the JAMR and ZAMR separation facilities together with the targeted return; anticipated completion and launch of Neo’s new permanent magnet facility in Europe and related commercial production estimates, forecasted budget, commissioning and costs associated with the facility; targeted reductions in SG&A; Neo’s requalified product portfolio, including the NAMCO product portfolio, and continued product qualification expected in 2025; anticipated final costs associated with the NAMCO project; expectations regarding tariffs; securing new automotive customer agreements for permanent magnet and emissions control facilities; expectations concerning the continued growth of the Magnequench project and improvements in C&O; expectations concerning any remediation efforts to Neo’s design of its internal controls over financial reporting and disclosure controls and procedures; and Neo’s 2025 guidance, including Neo’s 2025 Adjusted EBITDA guidance and the assumptions relating thereto. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. Additionally, Neo’s 2025 guidance reflects Neo’s expectations as to financial performance in 2025 based on assumptions which Neo believes to be reasonable as of the date of this presentation, including but not limited to continued Magnequench growth, significant improvements in C&O, exiting lower-margin separation assets, strong hafnium demand despite pricing moderation, continued reduction in SG&A expenses, expectations regarding tariffs; securing new automotive customer agreements for permanent magnet and emissions control facilities; expectations concerning the continued growth of the Magnequench project and improvements in C&O. Neo believes the expectations reflected in such forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in this discussion and analysis should not be unduly relied upon. For more information on Neo, investors should review Neo’s continuous disclosure filings that are available under its profile at [www.sedarplus.ca](http://www.sedarplus.ca). Information contained in forward-looking statements in this presentation is provided as of the date hereof and Neo disclaims any obligation to update any forward-looking information, whether as a result of new information or future events or results, except to the extent required by applicable securities laws.

### Non-IFRS Financial Measures

This presentation refers to certain specified financial measures, including non-IFRS financial measures and ratios such as “EBITDA”, “Adjusted EBITDA”, “Adjusted EBITDA Margin”, “Adjusted Net Income”, “Adjusted Earnings per Share”, “Debt to Adjusted EBITDA”, “Free Cash Flow”, “Free Cash Flow conversion”. These specified financial 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 specified financial 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 presentation may not be the same as the definitions for such measures used by other companies in their reporting.

Specified financial measures such as non-IFRS measures and ratios have limitations as analytical tools and should not be considered in isolation nor as a substitute for analysis of Neo’s financial information reported under IFRS. Neo uses specified financial measures to provide investors with supplemental measures of its base-line operating performance and to eliminate items that have less bearing on operating performance or operating conditions and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. Neo believes that securities analysts, investors and other interested parties frequently use specified financial measures such as non-IFRS financial measures and ratios in the evaluation of issuers. Neo’s management also uses non-IFRS financial measures and ratios to facilitate operating performance comparisons from period to period. Readers are cautioned that these measures should not be construed as an alternative to their nearest or directly comparable financial measures determined in accordance with IFRS as an indication of Neo’s financial performance. For further information on how Neo defines such specified financial measures, including non-IFRS financial measures and ratios and, where applicable, their reconciliations to the nearest comparable IFRS measures, please see the “Non-IFRS Financial Measures” section of Neo’s MD&A for the three months and year ended March 31, 2025, which is hereby incorporated by reference into this presentation, and at [www.neomaterials.com](http://www.neomaterials.com) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## Navigating Neo's business units and applications



## Neo is...

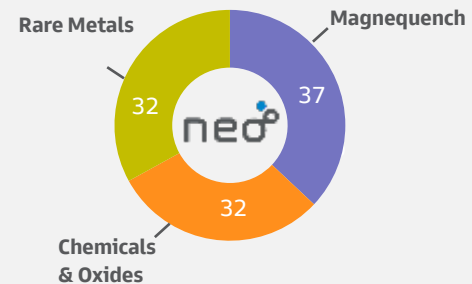
- A global leader in energy-saving **permanent magnets** and **critical materials**, with **established technologies** and geographically diverse **midstream** and **downstream** presence
- One of the **best-positioned** in markets that are forecast to see **strong long-term growth** driven by **global macro trends** and **geopolitical tailwinds**
- **Strong balance sheet**, robust **cash flow**, and above-industry-average **dividend yield**
- Business segments:
  - ▢ Permanent Magnetics: **Magnequench**
  - ▢ Critical Materials: **Chemicals & Oxides** and **Rare Metals**
- Publicly traded on the **TSX** under **"NEO"** and headquartered in Toronto, Canada

## Fast Forwarding Critical Technologies:

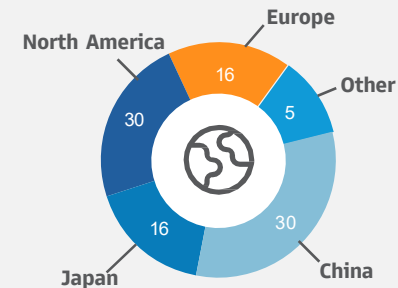
<b>Vehicle Electrification</b>	<b>Energy Transition</b>	<b>AI &amp; Server Cooling</b>
<b>Robotics &amp; Automation</b>	<b>Air &amp; Water Pollution Control</b>	<b>Aerospace &amp; Defense</b>

### By the Numbers

#### Revenue by Segment (LTM) %



#### Revenue by Geography (LTM) %



**\$475**

LTM TOTAL REVENUE (US\$M)

**\$71**

LTM Adj. EBITDA<sup>(1)</sup> (US\$M)

**#1**

MOST INTEGRATED RARE EARTH MAGNETICS COMPANY OUTSIDE OF ASIA

**30+**

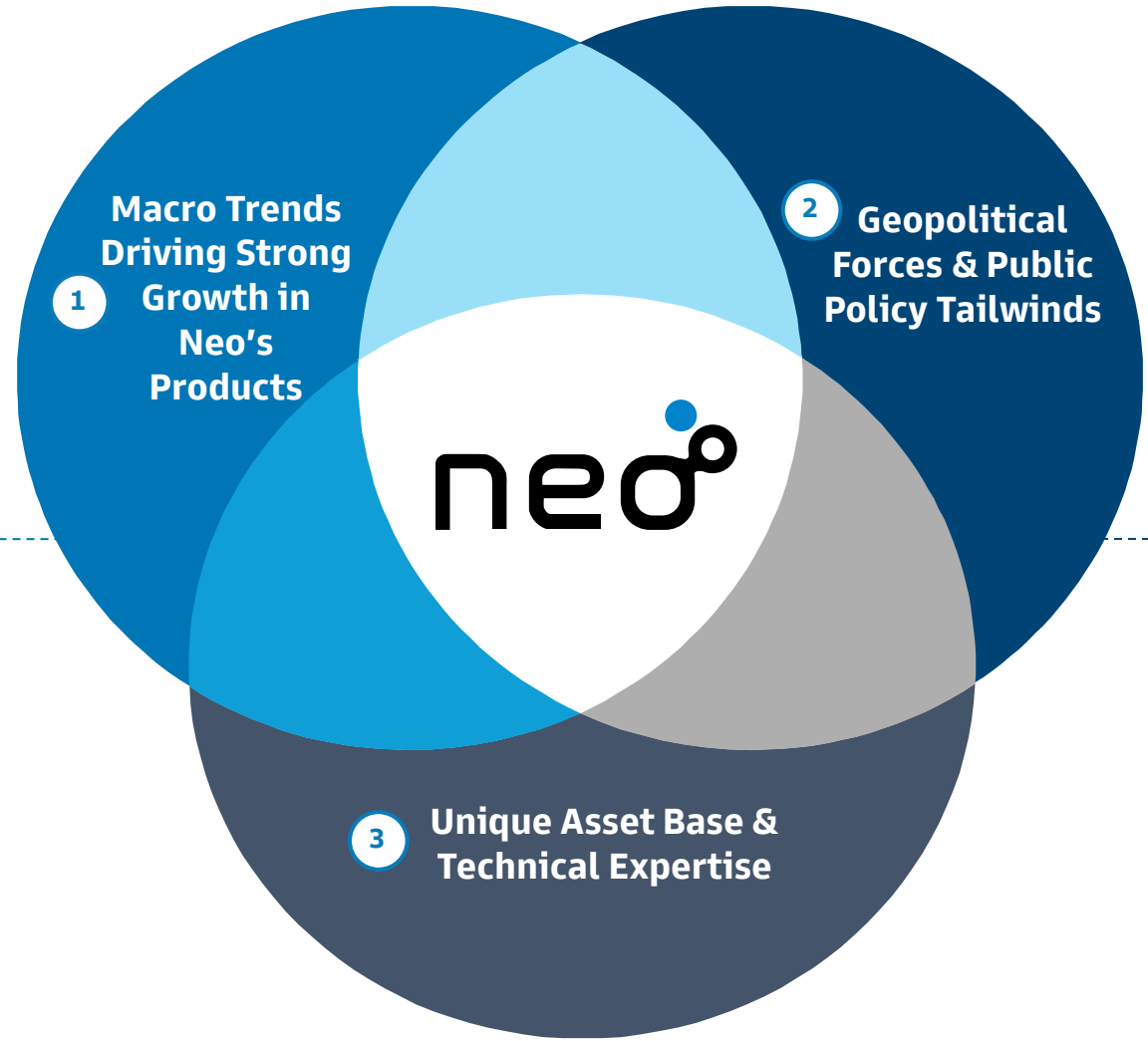
YEARS OF RARE EARTH MAGNETICS EXPERIENCE: FOUNDER OF THE NdFeB PERMANENT MAGNET

## Analyst Coverage

**Cormark Securities Ltd.**, David Ocampo  
**Paradigm Capital**, Marvin Wolff  
**Stifel GMP**, Ian Gilles

**Diversified & Vertically Integrated Supply Chain, Strategic Global Facility Footprint that Can Serve Customers Across the Globe**

(1) Non-IFRS Financial Measure. See "Non-IFRS Financial Measures" in the disclaimer section for further information. Note: All financial values are in US dollars, except when stated otherwise.



**Electric Vehicles**  
(incl. Traction Motors)

**AI / Semi-conductors / Computer Power**

**Environmentally Sustaining Solutions**  
(Catalyst, Water Treatment, Aerospace)

**Energy Efficient & Powerful Motors**

**Robotics / Automation**

*End Markets Benefitting from Secular Tailwinds*

**China's strong position in rare earth processing and magnetics today creates uncertainty around the global supply chain**



**Critical materials independence and localized supply chains critical for Western governments and OEMs evidenced by public / government policies (incl. EU CRMA, tariffs and investment incentives)**

**Geopolitical Environment Creates Significant Market Opportunity**

✓ **One of the most vertically integrated value chain in rare earth magnetics with raw material separation, refinement, magnet production and assembly capabilities**

✓ **Strategic collection of assets and technical knowledge/expertise position Neo for success**

✓ **30+ years of rare earth magnetics experience inside and outside of China**

✓ **30+ years of experience separating light and heavy rare earths and one of the only solvent extraction facilities outside of China**

# 1. Macro Trends Driving Strong Growth in Neo's Products



## EV & Energy Transition

- > 85% of EVs and HEVs motors use RE magnets
- Permanent magnet generators cut weight and complexity, lowering offshore transport costs by 50%–70% and reducing maintenance for wind turbines



## Robotics & Automation

- Energy-efficient micro motor demand is driven by a forecasted production of 1 billion units of humanoid robots by 2040
- Permanent magnets enable energy-efficient large-joint motion and precise small-joint actuation in robots



## AI, Server Cooling & Computer Power

- As AI models require more computations, demand for fan motors with RE magnets is expected to grow
- Strong demand growth for Dysprosium in MLCCs and Gallium in Semiconductors



## Aerospace & Defense

- Growing demand for Niobium, Tantalum, and Hafnium bearing superalloys used in jet engines and aerospace applications
- Supply chain shift towards sourcing from Western producers and recyclers



## Emission Catalysts and Water Treatment

- With stricter environmental regulations, specialty rare earth oxides offer a cost-effective alternative to iron- or aluminum-based coagulants in water treatment
- Specialized Oxides serve end-use markets such as emission catalysts, water treatment, and other environmentally sustainable technologies

Magnets Critical Materials



**New Energy Vehicle**  
Permanent Magnets for Traction Motor (both Sintered and HREE-Free Bonded)

~12.3% CAGR

**Industrial Automation**  
Micro Motors

~50.0% CAGR

**High-Performance Servers / Fan Motor**  
Bonded Neo Magnets

~7.0% CAGR

**Aerospace & Defense**  
Hafnium and Tantalum

~7.0% CAGR

**Magnet Rare Earth Oxides**

~8.4% CAGR

Source: Estimates are from third-party research reports including Barnes report, Coherent Market Insights and Technavio as well as management estimates.

## 2. Geopolitical Forces & Public Policy Tailwinds

Neo's global presence and parallel supply chain uniquely position it to capture value from macro trends

### Customer Requiring Supply Chain Diversification

- >90% of rare earth permanent magnets presently come from China
- OEMs are looking for opportunities to diversify
- China's recent export bans on critical minerals to the U.S. create uncertainty for OEMs' supply chains
- Continuing and growing export restrictions on products and technology from China

### Public Policy Tailwinds

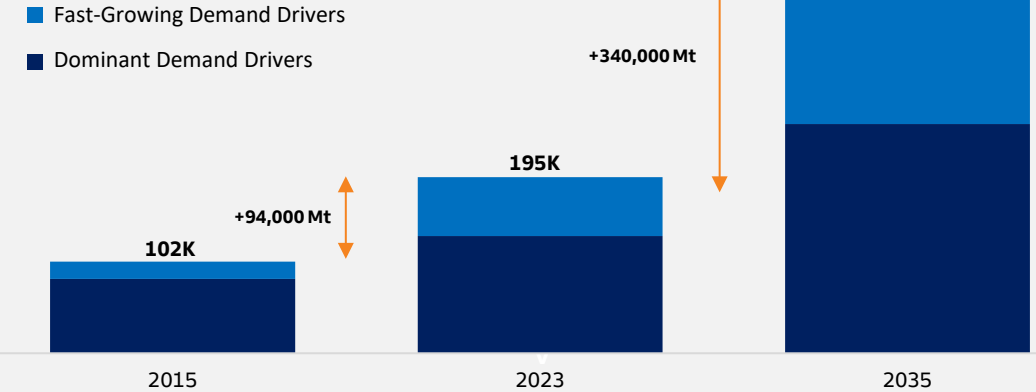
- EU's Critical Raw Materials Act set targets for OEMs to source:
  - < 60% of magnets from one country outside the EU,
  - 40% of processed material to originate in EU, and
  - 25% from recycled sources
- United States' Inflation Reduction Act incentivizes near-shoring of electric vehicle, renewable energy & clean tech manufacturing at large

### How is Neo Positioned?

- ✓ Global rare earth magnetics company with parallel supply chains serving customers across geographies
- ✓ Neo is bringing online an industrial-scale permanent magnet facility in Europe
- ✓ Owns one of the few non-captive rare earth separation facilities in Europe
- ✓ Production and recycling of critical materials in North America and Europe

### Global Forecasted Demand

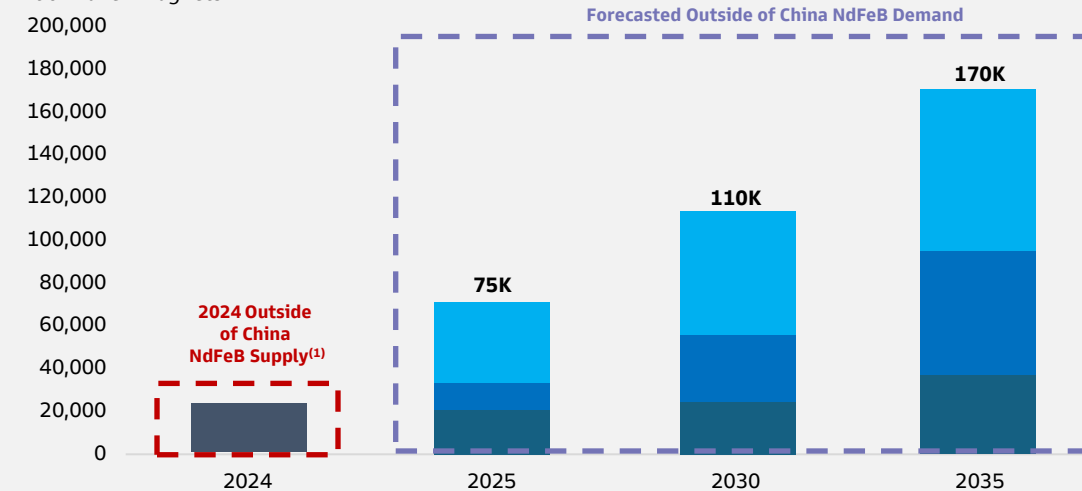
(Mt of NdFeB Magnets)



Note: Fast-growing demand drivers include: EVs/HEVs, other E-mobility, wind power generators.

### Supply & Demand Outside of China

Mt of NdFeB Magnets



Source: Adamas Intelligence. (1) Based on management estimates.

### 3. Unique Asset Base & Technical Expertise

#### Why Neo is Best Positioned to Win

##### Extensive and profitable track record

- With over 30 years of global operations, Neo holds a leading market position in bonded magnets
- Only separator integrated into a midstream and downstream supply chain
- Strengthened financial position and growth outlook driven by strategic actions

##### Technology Leadership

- A proven technology and innovation leader with deep R&D expertise
- Pioneered the first and only heavy-rare-earth-free magnets used in commercialized HEV traction motors to this day

##### Globally Distributed Footprint

- A uniquely positioned network of low-cost facilities, strategically located to support supply chain diversification and regional sourcing outside of China
- One of the most vertically integrated rare earth magnetics value chain, spanning raw material separation, refinement, magnet production, and assembly, minimizing delivery and price risk

##### Customer Relationships

- Long-standing customer relationships built on multi-year product development cycles and rigorous qualification standards

#### Leading Market Positions Across Multiple End Markets

##### Select End Markets

##### NEO Differentiation



**New Energy Vehicle**

- ✓ A leading supplier of bonded magnets outside of China used in multiple applications
- ✓ On track to be the first EU producer of traction motor magnets



**Renewable Energy & Energy Efficiency**

- ✓ Operator of strategic rare earth separation facility in Europe
- ✓ Global distributor of heavy rare earth oxides



**Emission Control Catalysts**

- ✓ Top 3 producer of environmental emissions control catalysts



**AI Servers / Specialty Electronics / MLCC's / Semiconductors**

- ✓ A leading producer of cooling fan magnets for AI servers
- ✓ A leading producer of specialty oxides for advanced electronics, i.e., MLCC
- ✓ Only recycler of semiconductor-grade gallium in North America



**Aerospace & Defense**

- ✓ A top recycler of hafnium with a meaningful share in the aerospace market



## Delivering Growth & Capital Returns to Shareholders

Neo is strategically positioned to capitalize on mega-trends and the growing demand for secure critical materials supply chains

### 1. Financial Strength & Resilience

- Value-added business model designed to withstand market cycles

### 2. Strong Growth Prospects

- Long-term growth supported by mega-trends and geopolitical tailwinds

### 3. Execution

- A track record of delivering on commitments and outperforming expectations

**Attractive Valuation and Capital Returns**

## 1. Financial Strength & Resilience

### Strong Balance Sheet

**\$77M**

Cash

**\$6M**

Net Cash

**1.0X**

Debt to Adj. EBITDA<sup>(1)</sup>

### Robust Cash Flows (LTM)

**\$(1)M**

Change in Working Capital<sup>(1)</sup>

**\$23M**

Cash Provided by Operating Activities

**\$5M**

Sustaining CAPEX<sup>(1)</sup>

Note: As of or for the three months ended March 31, 2025. Debt capacity is \$66M as of March 31, 2025. (1) Non-IFRS Financial Measure. See "Non-IFRS Financial Measures" in the disclaimer section for further information.

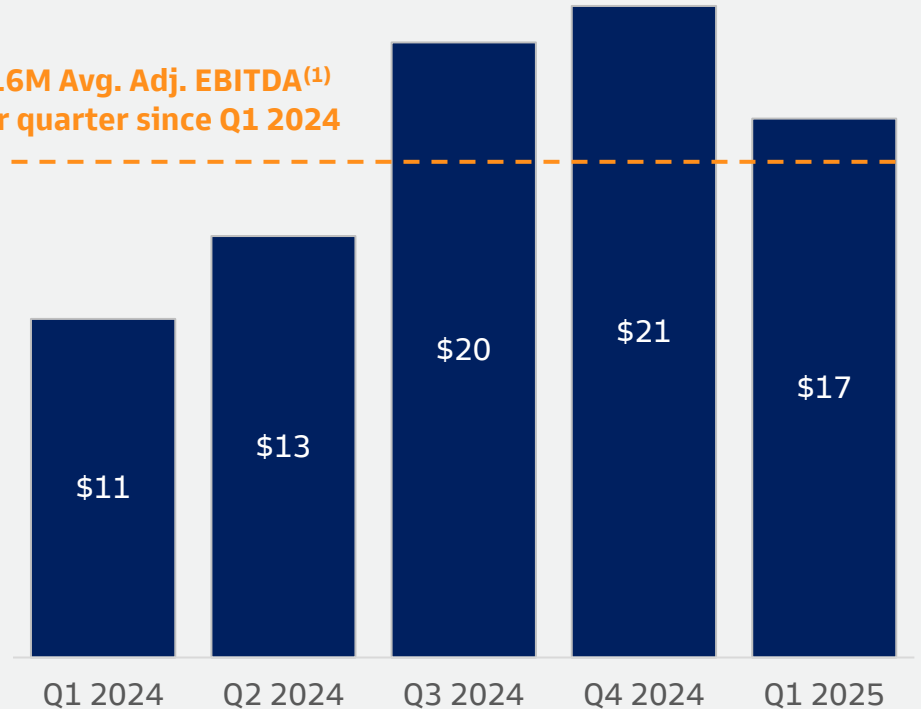
## Why Neo Wins

- Net Cash position. Cash flow positive. Designed to withstand commodity price cycles
- Value-add business model. Leveraging material cost pass-through, covering 90% of contracts

ADJUSTED EBITDA<sup>(1)</sup>: Q1 2025 Adjusted EBITDA<sup>(1)</sup> grew ~ 60% y-o-y

### Trending EBITDA (\$m)

\$16M Avg. Adj. EBITDA<sup>(1)</sup> per quarter since Q1 2024



## 2. Strong Growth Prospects in Permanent Magnets

>90%

of permanent magnets made in China



**Chinese Protectionism**

Export ban on permanent magnet technology and select critical materials

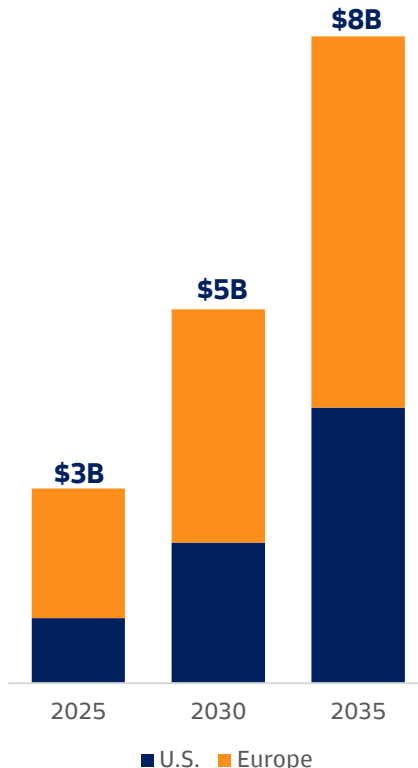
### Need for Localized Supply Chains

- OEMs' need for diversified supply chains
- The EU's Critical Raw Materials Act mandates policies and investments to establish an independent rare earth industry

### Why Neo Wins

1. 30+ years of experience in RE Magnetics and the creator of the first permanent magnet
2. A global and integrated supply chain in Rare Earths
3. Currently serving auto customers in a wide range of applications

### Permanent Magnet Market Size in Europe and US (US\$)



Source: Adamas Intelligence; mt converted into US dollar value, at \$60/kg.



### GROWTH STORY: Permanent Magnet Facility in Europe

Neo's new facility will be Europe's first commercial-scale and automotive-qualified permanent magnet manufacturing facility. Sample production is expected to launch for current and future automotive contracts in 2025, with commercial sales starting in 2026

#### Expected Completion: 2025

- Building completed
- >90% of equipment in place
- Completed sample production in April 2025
- Contract won from European Tier 1

#### Expected Commercial Production: 2026

**Product:** Energy Saving Magnets

**Customer:** Motor OEMs

**Project Cost:** \$75M

Phase I: 2,000<sup>(1)</sup> mt/yr

Phase II: 5,000<sup>(1)</sup> mt/yr



"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."

[Click here for full speech](#) June 28, 2023

Ursula von der Leyen, President of the EU Commission

# European Permanent Magnet Facility

- One of the most important critical materials projects in Europe and among a select few globally

- Strategically positioned to meet growing demand for localized supply chains in EVs, robotics, and other critical technologies

- Remains firmly on track, both on time and on budget



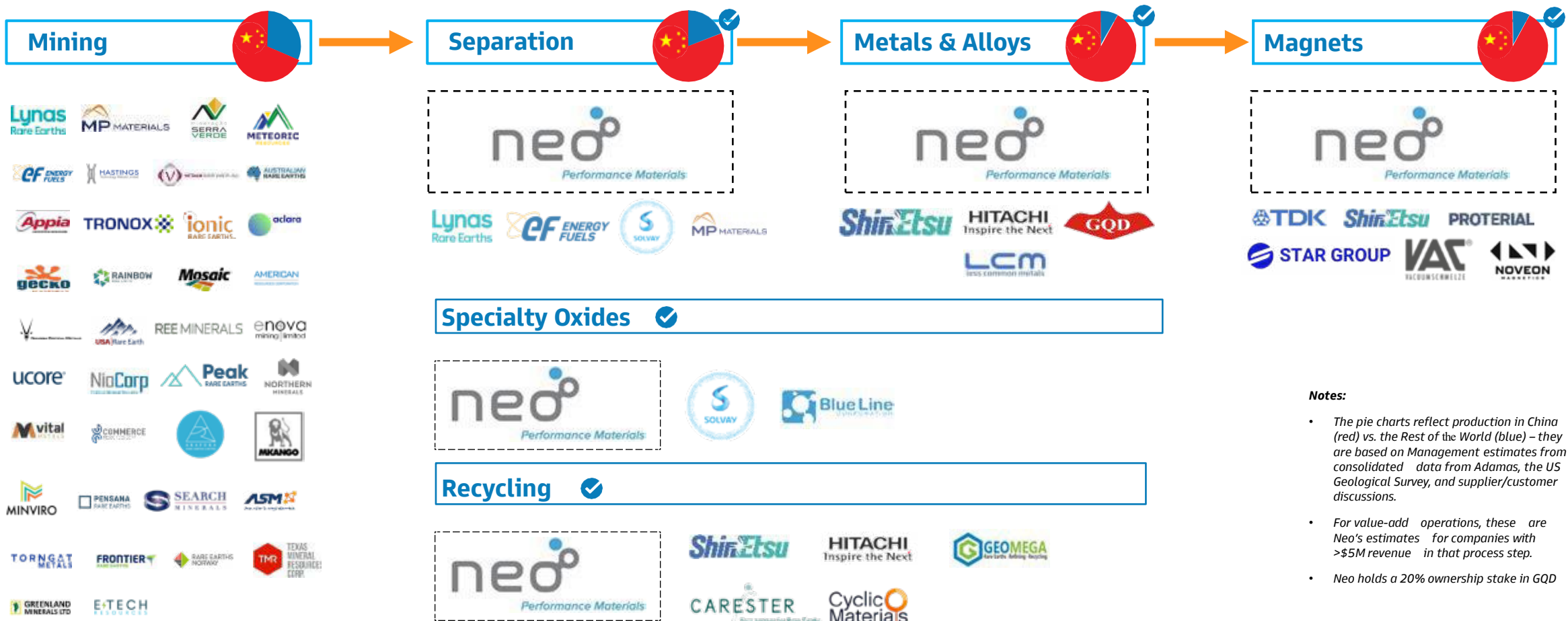
# Magnet Delivery to Tier 1 Customer in April 2025

- ✓ Produced and shipped over 18,000 sintered magnet pieces as initial samples
- ✓ The magnets are EV traction motor grade and represent an important technical milestone
- ✓ Production part approval process is scheduled for the first half of 2026, with mass production to start later that year



## 2. Strong Growth Prospects: Current commercialized rare earth value chain, outside of China

Neo has one of the most integrated presence in the value chain with non-captive assets:



- Notes:**
- The pie charts reflect production in China (red) vs. the Rest of the World (blue) – they are based on Management estimates from consolidated data from Adamas, the US Geological Survey, and supplier/customer discussions.
  - For value-add operations, these are Neo's estimates for companies with >\$5M revenue in that process step.
  - Neo holds a 20% ownership stake in GQD

## 2. Strong Growth Prospects: NAMCO - Emissions Control Catalysts

### Highlights

- ✓ Relocated facility has **up to 50% additional capacity** ready to be **deployed to meet demand**
- ✓ **Highly automated facility** with a **competitive cost structure**
- ✓ **Low-cost jurisdiction**

### Overview

- NAMCO – a **world-class emissions control catalyst production facility** opened in Sept 2024
- Requalified its product portfolio
- The new facility offers **expanded capacity and advanced processing technology**
- **Best-in-class manufacturing:** enhanced operating efficiency, strict environmental standards, lower emissions, and expanded waste and water recycling
- **Supports global automotive supply chains** in meeting stricter emissions standards for hybrid and internal combustion engine vehicles

### State-of-the-art environmental emissions control catalysts production facility in China



**Project completed on time and under budget**

## 2. Strong Growth Prospects: Other Critical Materials

### Neo's rare metals are critical, sustainably sourced & strategic

- The **building blocks** of Neo's rare metals business are **gallium, hafnium, niobium and tantalum**
- Considered "**critical and strategic**" to the economic and national security of the **US, EU and other countries**
- The **US has imposed a 45% tariff** on high-purity hafnium and tantalum from China
- China has also **imposed export controls** for gallium

### Key Growth Drivers

- **Hafnium (Hf):** Superalloys, particularly for aerospace applications, are expected to continue driving demand, growing at a 7% CAGR into 2030
- **Tantalum (Ta):** Growing demand for integrated circuits for electric vehicles, increased defense budgets and improving aerospace demand
- **Gallium (Ga):** China's recent ban on gallium exports to the United States has resulted in an increase in demand for gallium outside of China
- **Niobium (Nb):** Strong growth in superconductor materials for medical imaging, particle accelerators, and defense are expected to be a positive influence on the market

Source: Estimates are from third-party research reports including Barnes report, Coherent Market Insights and Technavio as well as management estimates.

### Aerospace | Superalloys

**Hf** **Ta**

**70%** of aircraft in operation are anticipated to be part of the next upgrade cycle<sup>(1)</sup>     **2.4x** Increase in air traffic over the next 20 years<sup>(1)</sup>     "Over the next 20 years we forecast a demand for more than 42,000 new [aircraft] deliveries"<sup>(1)</sup>

(1) Airbus' 2024 Global Market Forecast

### Semiconductors

**Ga** **Dy**


**25%** growth in demand for gallium nitride for the most advanced commercially available gallium-based semiconductors over the next decade<sup>(2)</sup>     China **BANNED** the export of Gallium to the U.S. in December 2024  
"We reconfirm our view calling for global semi sales. \$1T by 2030"<sup>(2)</sup>

(2) ASML's 2024 Investor Day presentation

### Aviation

**Nb**

"Niobium C103 stands out in aerospace and defense applications due to their ability to maintain their structural integrity and mechanical properties at extremely high temperatures"  
**CERN, Collider GE Aerospace**



### Water Treatment

New product gaining traction in the U.S. and global markets

**4%** current penetration     **90%** customer conversation from trial to production     **90%** customer retention rate for WaterFX<sub>300</sub>



### 3. Execution: Delivering on Commitments

#### PROMISE MADE, PROMISE KEPT

#### FUTURE DELIVERY

April 2023	December 2023	August 2024	August 2024	September 2024	2025 and Beyond
<b>SCALABILITY</b>	<b>OPERATIONAL EXCELLENCE</b>	<b>PORTFOLIO STREAMLINE</b>	<b>CUSTOMER WINS</b>	<b>ON TIME, ON BUDGET</b>	<b>ON TIME, ON BUDGET</b>
<b>Acquired SG Tech</b> UK Magnet Assembly Maker	<b>Silmet Transformation</b> Suspended Hydromet Production	<b>Sale of JAMR, ZAMR &amp; Quapaw</b> Majority Equity Interest	<b>Tier 1 Motor Awards</b> Europe's 1 <sup>st</sup> Customer Secured	<b>Opening of NAMCO</b> Top 3 Catalyst Oxides Producer	<b>Opening of Narva</b> Europe Permanent Magnet Facility
					
<ul style="list-style-type: none"> <li>Established Neo's magnet manufacturing footprint in EU</li> </ul>	<ul style="list-style-type: none"> <li>Shift to downstream production, with improved inventory cycle and profitability</li> </ul>	<ul style="list-style-type: none"> <li>Divestment of non-core separation facility assets: ~11X average trailing five-year EBITDA and ~\$30M in cash proceeds to reallocate to better ROI opportunity</li> </ul>	<ul style="list-style-type: none"> <li>Received first customer award for significant volume before the facility was completed construction</li> </ul>	<ul style="list-style-type: none"> <li>Increased capacity and improved efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Commissioning in 2025; commercial production in 2026</li> </ul>

**Initiatives to Streamline Neo's Portfolio and Increase its Downstream Focus  
Positioned the Company for Profitable Growth**



**Quarterly Updates  
& Financials**

## Q1 2025 Highlights

### Adjusted EBITDA<sup>(1)</sup> above expectations and 2025 Guidance Unchanged

- ~\$17 million Q1 2025 Adjusted EBITDA<sup>(1)</sup> (~60% YoY increase)
- 2025 Adjusted EBITDA<sup>(1)</sup> guidance unchanged at \$55 - \$60 million

### Capital Projects Substantially Completed

- Neo's European permanent magnet facility remains on schedule and on budget, with large-scale commercial production expected in 2026
  - Produced and shipped over 18,000 sintered magnet pieces as initial samples in April 2025
- NAMCO has achieved run-rate capacity for requalified products
  - Production volumes up 4% YoY, and over 21% sequentially
- Engineering and procurement commenced to develop a pilot-scale heavy rare earth separation line at our European facility

### Assets Divestment Completed

- The sale of separation facilities in China, JAMR and ZAMR is completed

### Strategic Review Advancing

- Neo continues to progress with its special committee-led strategic review process to maximize shareholder value



**Automated manufacturing at the European permanent magnet facility**

# Positioned to Win With Diversified, Parallel supply Chains Amid Shifting Geopolitics

## U.S. Tariffs

### Assessment<sup>(1)</sup>

- ✓ Relative tariffs
- ✓ US supply capacity

1. Note: the assessment doesn't speak to indirect exposure, which is related to our customer's customer or the economy in general

### Potential Exposure

- ✓ **Hafnium** (EU)
- ✓ **Emissions Catalyst** (EU; China)
- ✓ **Gallium** (CAN)

### Minimal Exposure

- ✓ **Magnetics** (Thailand, UK, China)
- ✓ **RE Oxides** (EU; China)

- ✓ **Strategic Advantage Shifting Geopolitics:** Neo is a net beneficiary of shifting geopolitics due to our regionally diversified, vertically integrated model.
- ✓ **Clear Differentiation in Key Materials:** tariff-advantaged hafnium and gallium, refined in Europe and Canada, respectively, critical for U.S. aerospace and semiconductor supply chains and a lack of domestic capacity in the U.S.
- ✓ **Resilient Supply Chain:** ability to shift production across geographies allows for managing customer costs and ensuring reliable delivery to key markets.
- ✓ **Forward-Looking Magnet Strategy:** with almost no magnet shipments from China to the U.S. today, our European facility offers a tariff advantage and is well-positioned to meet the growing demand for EV traction motors outside of China, including in North America.

**Direct Exposure to U.S. Tariffs is Minimal**

# Positioned to Win With Diversified, Parallel supply Chains Amid Shifting Geopolitics (Cont'd)

## Export Controls

### Historical Export Controls

- ✓ Separation Technology
- ✓ Metal Making Technology

### More Recent Export Controls

- ✓ Gallium and other materials
- ✓ Magnet Making Technology
- ✓ HRE, incl. Dy and Tb
- ✓ Permanent Magnets

- ✓ **Unique Magnet Advantage:** Neo is the only company globally with a heavy-rare-earth-free magnet already in use for EV traction motors with Honda and Daido.
- ✓ **Proven Resilience to Export Controls:** over 99% of Neo's bonded magnet portfolio is HRE-free, with minimal exposure to Chinese shipments and a strong track record navigating export license processes, including under recent gallium restrictions.
- ✓ **Forerunner in Heavy Rare Earth Separation Outside China:** Neo's pilot-scale line in Estonia is a strategic first step toward filling the global gap in heavy rare earth separation capacity, leveraging decades of technical expertise.
- ✓ **Trusted Partner to Global Miners:** Neo is already supporting multiple heavy rare earth mining projects with in-house lab and engineering services, positioning us as a preferred downstream partner.

Highlights the strategic value of our European separation assets and heavy rare earth expertise

## Capital Projects & Outlook

### Capital Spend Requirements

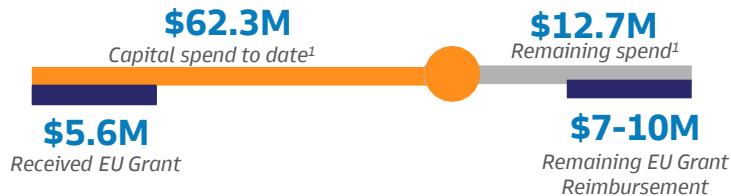
#### Emissions Control Catalyst Facility Relocation

Grand opening Sept 2024; run-rate production in 4Q'24



#### Permanent Magnet Plant in Europe

Advanced stages of construction; site commissioning in 2025



### Source of Cash

#### Cash On Hand

**\$77.3M**

Some of this cash would be needed to fund regular operations

#### Incremental Debt

**\$66M**

\$25M undrawn EDC credit facility available for the European Permanent Magnet facility  
\$41M revolving and other loan capacity

#### Cash from Operation

#### Balance

Continued strength in CFOA, before net change in working capital, and settlement for the European patent litigation

### Targets & Outlook for 2025

#### Strategic Targets

- 1) Annual 10% SG&A reduction, in each of the next 3 years
- 2) Complete **commissioning and launch** the new permanent magnet plant in Europe
- 3) **Secure new automotive customer agreements** for the permanent magnet and emissions control facilities
- 4) Grow specialty oxides for emissions control catalyst and water treatment **by >10%**

#### FY 2025 Adjusted EBITDA<sup>(1)</sup> Guidance

**\$55-60M** Guidance unchanged amid heightened geopolitical volatility and supply chain disruption.

## Consolidated Financial Statements

### Income Statement Selected Data

	Q-over-Q Comparison		Year-over-Year Comparison	
	Q1 2025	Q1 2024	YTD2025	YTD2024
<i>US\$ 000s (excl. EPS)</i>				
Revenue	\$121,610	\$122,095	\$121,610	\$122,095
Adjusted EBITDA <sup>(1)</sup>	\$17,134	\$10,760	\$17,134	\$10,760
Adjusted net income (loss) <sup>(1)(2)</sup>	\$3,647	\$393	\$3,647	\$393
Adjusted EPS <sup>(1)(2)</sup>	\$0.09	\$0.01	\$0.09	\$0.01

### Cash Flow Statement Selected Data

	Q-over-Q Comparison		Year-over-Year Comparison	
	Q1 2025	Q1 2024	YTD 2025	YTD 2024
<i>US\$ 000s</i>				
Cash Flow from Operations	(\$17,676)	\$11,330	(\$17,676)	\$11,330
Net change in working capital	(\$14,533)	\$4,691	(\$14,533)	\$4,691
Cash Taxes Paid	(\$5,206 )	(\$7,513)	(\$5,206 )	(\$7,513)
CapEx for PP&E	(\$11,428)	(\$15,979)	(\$11,428)	(\$15,979)

### Shareholder Capital Returns

	Q-over-Q Comparison		Year-over-Year Comparison	
	Q1 2025	Q1 2024	YTD2025	YTD2024
<i>US\$ 000s (excl. DPS)</i>				
Dividends Paid to Shareholders	\$2,921	\$3,084	\$2,921	\$3,084
Dividend per common share	\$0.10	\$0.10	\$0.10	\$0.10
Repurchase of common shares under NCIB	\$0	\$2,250	\$0	\$2,250

### Balance Sheet Selected Data

	Comparison	
	Mar. 31, 2025	Dec. 31, 2024
<i>US\$ 000s</i>		
Cash <sup>(3)</sup> (including restricted)	\$77,329	\$85,489
Inventory	\$143,618	\$139,321
Property, Plant & Equipment	\$185,191	\$178,925
Debt & Bank Advance	(\$71,145)	(\$71,536)

## Financial Performance by Business Unit

neo <sup>o</sup> <b>Magnequench</b>	Q-over-Q Comparison		Year-over-Year Comparison	
	Q1 2025	Q1 2024	YTD2025	YTD2024
US\$ 000s (excl. Volume)				
Volume (tonnes)	1,302	1,213	1,302	1,213
Revenue	\$44,273	\$45,480	\$44,273	\$45,480
Operating Income	\$1,894	\$3,384	\$1,894	\$3,384
Adjusted EBITDA <sup>(1)</sup>	\$6,657	\$6,112	\$6,657	\$6,112

### Quarter Highlights:

- For the quarter, sales volumes increased by 7.3% year-over-year, largely due to significant growth in products like bonded magnets and powders in traction motor applications.
- Bonded magnet volumes reached a new quarterly record, increasing 53% compared to Q1 2024 and up 17% sequentially.
- Adjusted EBITDA<sup>(1)</sup> for Q1 2025 rose by \$0.5 million, a 9% increase compared to the previous year, corresponding to an expansion of 160 basis points in margin.

neo <sup>o</sup> <b>Chemical &amp; Oxides</b>	Q-over-Q Comparison		Year-over-Year Comparison	
	Q1 2025	Q1 2024	YTD2025	YTD2024
US\$ 000s (excl. Volume)				
Revenue	\$47,500	\$40,513	\$47,500	\$40,513
Operating Income	\$5,728	(\$2,104)	\$5,728	(\$2,104)
Adjusted EBITDA <sup>(1)</sup>	\$6,842	(\$380)	\$6,842	(\$380)

### Quarter Highlights:

- Adjusted EBITDA<sup>(1)</sup> increased by \$7 million compared to Q1 2024, our strongest quarterly result for C&O since Q3 2023.
- Results were supported by a recovery in our auto catalyst business, with volumes up 4% from the prior year and 21% sequentially, increased volumes in water treatment, up 25% from the prior year, and a more stabilized rare earth pricing environment.
- The announced sale of JAMR and ZAMR was completed in Q1 2025.

neo <sup>o</sup> <b>Rare Metals</b>	Q-over-Q Comparison		Year-over-Year Comparison	
	Q1 2025	Q1 2024	YTD2025	YTD2024
US\$ 000s (excl. Volume)				
Revenue	\$32,705	\$37,278	\$32,705	\$37,278
Operating Income	\$8,151	\$8,800	\$8,151	\$8,800
Adjusted EBITDA <sup>(1)</sup>	\$8,640	\$9,238	\$8,640	\$9,238

### Quarter Highlights:

- Hafnium pricing has now normalized, as anticipated, resulting in lower year-over-year margins relative to the elevated levels seen in the second half of 2024.
- Gallium business saw continued strength, with robust demand and favourable pricing dynamics, driven in part by regulatory constraints on Chinese exports.
- Adjusted EBITDA<sup>(1)</sup> for the quarter was \$9 million, slightly lower than the prior year period due to the expected normalization of hafnium pricing. Gross margin expanded by 190 basis points.



## Board of Directors: Independent Directors

Neo's Board is comprised of 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
- Chair and director at major private & publicly-listed companies, government bodies and non-profit boards
- Education in Chemical Engineering



**Gail Edwards**  
*Audit Committee Chair*

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



**Dr. John McGarva**  
*Director*

- 20+ years in design, engineering and Manufacturing
- Former BU Head of Engineering at Dyson
- Education in Manufacturing and System 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 Governance & 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, Member of HESS Committee*

- 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, manufacturing value-add rare earth products

## Executive Management

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



**Rahim Suleman**  
*CEO & President & Director*

- CFO 2017 – 2023 and CEO since 2023
- Former CFO at Tier 1 automotive suppliers



**Jonathan Baksh**  
*EVP & CFO*

- Former Divisional CFO at Celestica
- Alumnus of General Electric's Internal Audit Leadership Program



**Kevin Morris**  
*EVP & CSO*

- 13 years of executive management at Neo
- Former managing partner of US law firm



**Greg Kroll**  
*EVP for MQ*

- 25 years of sales and general management experience at Neo's magnetics division



**Mohamad El-Mahmoud**  
*EVP for C&O & RM*

- 25+ years career in P&L and product development management at global Tier 1 automotive suppliers

**The Executive Team is Responsible for Growing the Business, Investing Capital, and Contributing to the Communities in Which Neo Operates**



*Performance Materials*

**Corporate Headquarters**

Suite 1740, 121 King Street West Toronto,  
Ontario, Canada, M5H 3T9

(416) 367 8588

Follow us on:



**For further investor  
information and  
company updates:**

**Irina Kuznetsova**  
Director, Investor Relations  
[ir@neomaterials.com](mailto:ir@neomaterials.com)