Performance Materials

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Third Quarter 2025 Results

TSX: NEO.TO | Earnings call | November 14, 2025

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; 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; 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. 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", "Gross Margin", and "Net Debt". 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 ended September 30, 2025, which is hereby incorporated by reference into this presentation, and at www.neomaterials.com and on SEDAR+ at www.sedarplus.ca.

neo Performance Materials

Introduction

Rahim Suleman

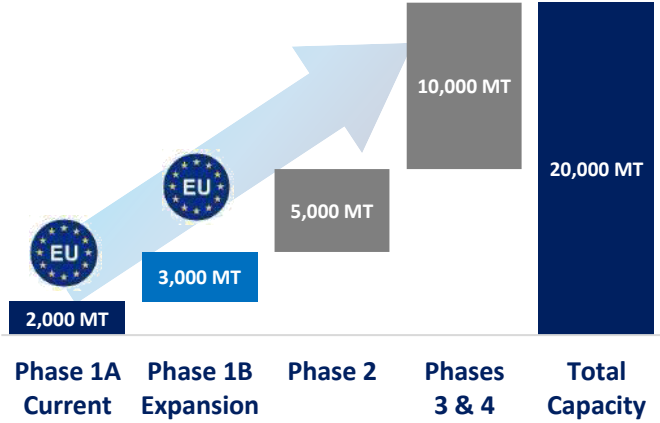
Q3 2025 Key Themes

- Executing Growth Strategy in Rare Earth Magnetics
- Momentum Across Core Platforms Driven by Global Megatrends
- Delivering Strong Financial Performance

Grand Opening of European Permanent Magnet Facility

Completed in just 500 days, delivered on-time and on-budget

Neo Annual Permanent Magnet Capacity Target



Strong Commercial Momentum Continues

- Multi year MOU with Bosch – reserving dedicated annual magnet production capacity
- Contract discussions with additional automotive, industrial, and renewable-energy customers
- Awarded multiple multi-year programs, strengthening strategic relationships
- Trusted by motor manufacturers for decades

BOSCH

Neo Extends Strategic Partnership for High-Performance Magnets with Bosch

neo

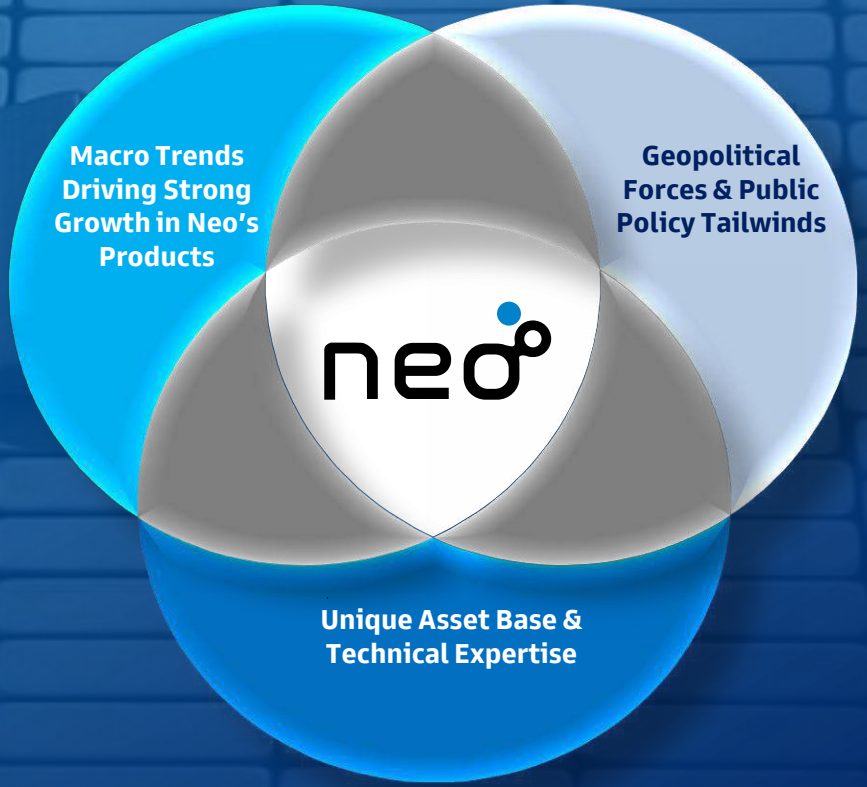
Efficiency & Growth Focus

Operational Efficiency and Portfolio Focus Fueling EBITDA Growth

Advanced rare metal processing capabilities strengthen supply chain security

State-of-the-art emissions control catalysts driving significant conversion cost savings

Neo: A Pure-Play Beneficiary of Supply Chain Shifts and Critical Materials Demand



Financials

Jonathan Baksh

Q3 2025 Financial Results

Strong Performance Supported By Resilient Demand, Cost Discipline and Updated Guidance

	NET SALES	ADJUSTED EBITDA[1]	ADJUSTED EPS[1]	NET CASH
Q3'25	$122m	$19m	$0.20	$(28)m
Q3'24	$111m	$20m	$0.03	$20m

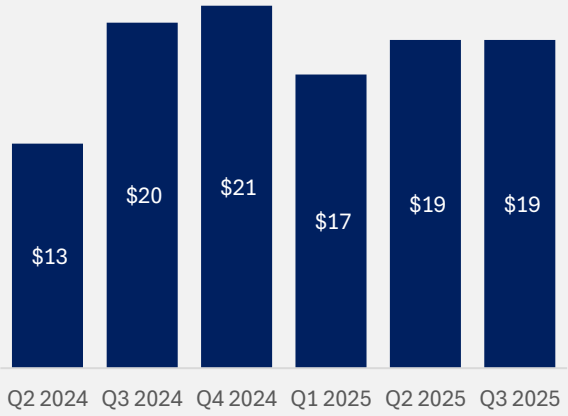
$64-68m

to

2025 ADJ. EBITDA[1] OUTLOOK

$67-71m

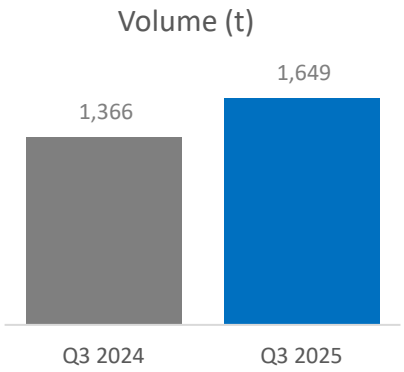
Trending Adj. EBITDA[1] ($m)

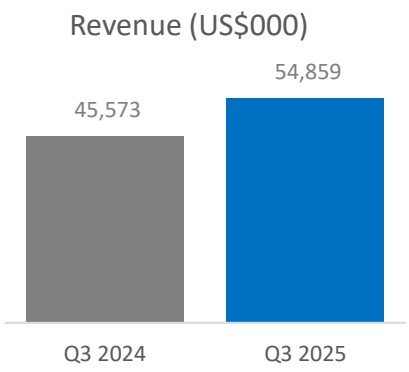


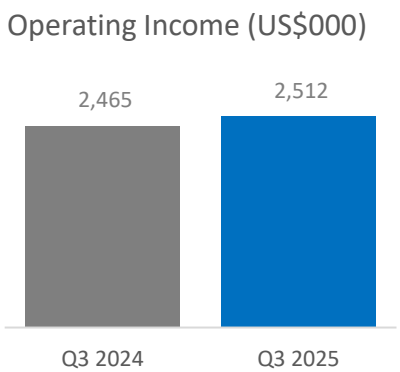
CASH[2]:	$61m
NET WORKING CAPITAL[1][2][3]:	$127m
GROSS DEBT[2]:	$90m

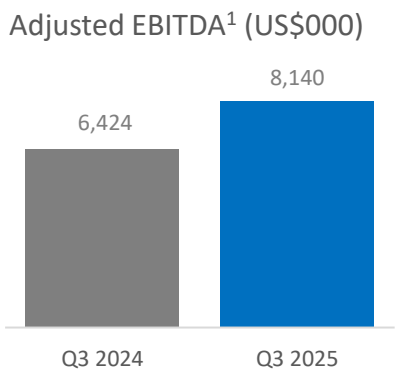
1. Non-IFRS Financial Measure. See "Non-IFRS Financial Measures" in the disclaimer section for further information. Note: All financial values are in US dollars, except when stated otherwise
2. As at September 30, 2025
3. Net Working Capital is estimated as: (Current Assets – Cash) – (Current Liabilities)

Magnequench



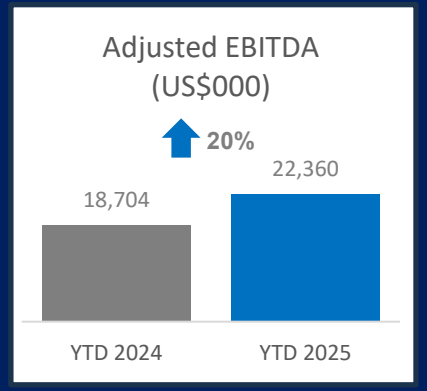






Q3 2025 Highlights

- **Revenue Growth:** Magnequench revenue rose to $54.9M (Q3) and $149.6M (YTD), up $9.3M and $16.5M year-over-year, driven by higher sales volumes partially offset by lower selling prices.
- Operating Income: Reached $2.5M (Q3) and $6.0M (YTD); modest change due to higher operating expenses from pre-operational costs for the new European Permanent Magnet facility, partly offset by stronger gross profit.
- Adjusted EBITDA: Increased to $8.1M (Q3) and $22.4M (YTD), up $1.7M and $3.7M from last year, reflecting volume growth and cost efficiencies after adjusting for pre-operational expenses.



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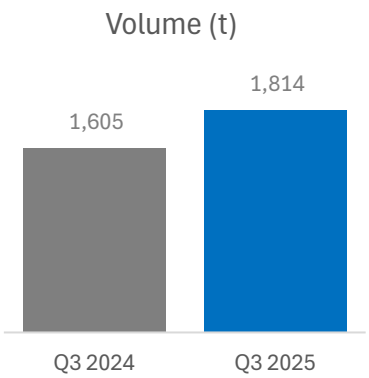
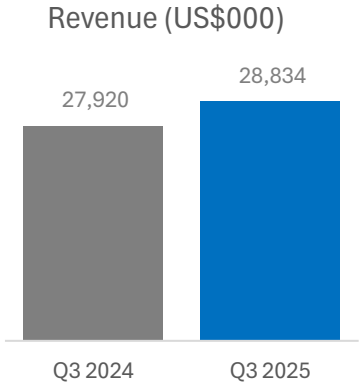
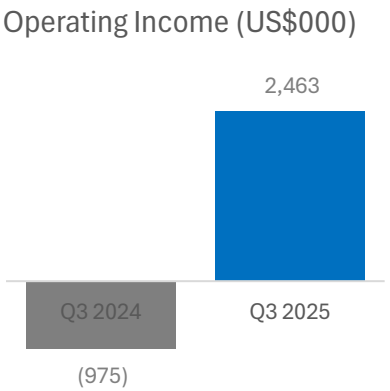
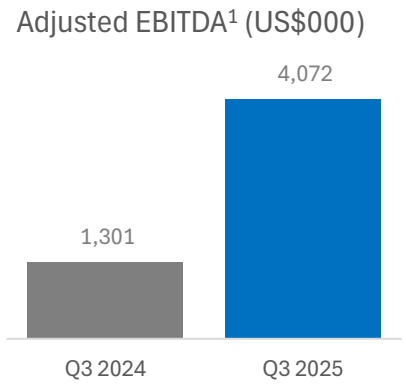
Chemical & Oxides



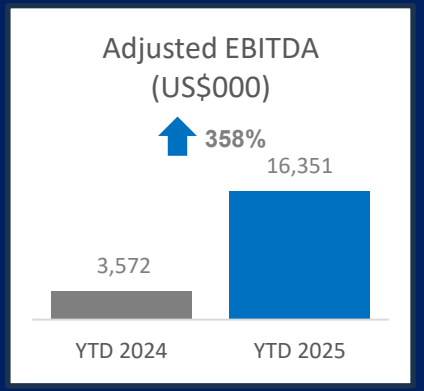






Q3 2025 Highlights

- **Revenue Growth:** Rose to $28.8M (Q3) and $105.8M (YTD), up $0.9M and $2.9M year-over-year, driven by higher volumes and improved product mix, partially offset by divestiture of Chinese Separation assets.
- **Operating Income:** Increased significantly to $2.5M (Q3) and $12.2M (YTD), up $3.4M and $15.0M, due to lower conversion costs at the new NAMCO emission control catalyst facility and reduced margin impact. from rare earth pricing.
- **Adjusted EBITDA:** Rose to $4.1M (Q3) and $16.4M (YTD), up $2.8M and $12.8M, highlighting a strong operational rebound, success of strategic actions and reduced volatility in financial performance.



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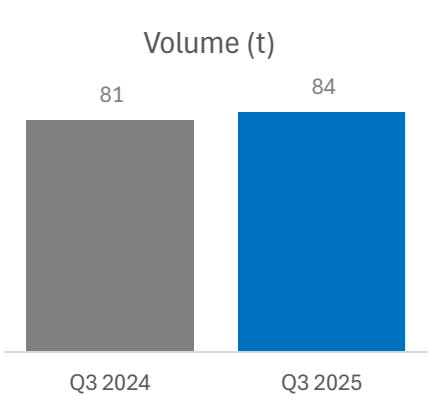
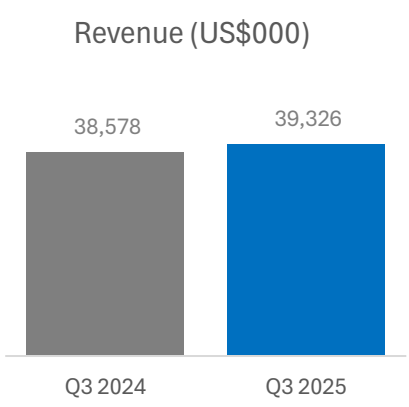
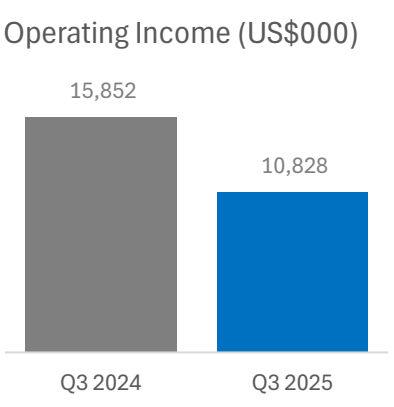
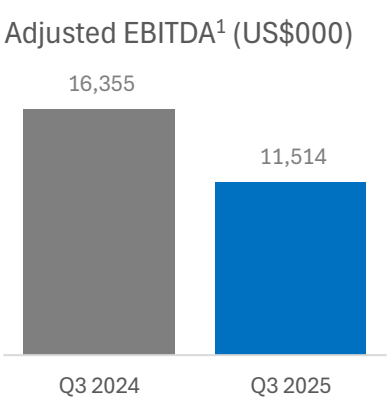
Rare Metals



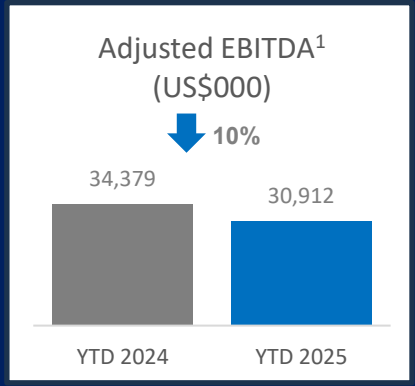






Q3 2025 Highlights

- **Revenue:** $39.3M (Q3) and $108.0M (YTD), relatively flat year-over-year, as lower hafnium prices were largely offset by higher tantalum volumes.
- **Operating Income:** Declined to $10.8M (Q3) and $29.1M (YTD), down $5.0M and $4.1M, reflecting pricing normalization in hafnium markets.
- **Adjusted EBITDA:** Fell to $11.5M (Q3) and $30.9M (YTD), down $4.8M and $3.5M. However, the segment continues to perform well with strong demand and strategic operational discipline.



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

Strong Balance Sheet

	Q2 2025		Q3 2025
Cash	$80m	→	$61m
Gross debt	$94m	→	$90m
Net cash	$(13)m	→	$(28)m
Inventory	$147m	→	$161m
Property, Plant & Equipment	$190m	→	$196m

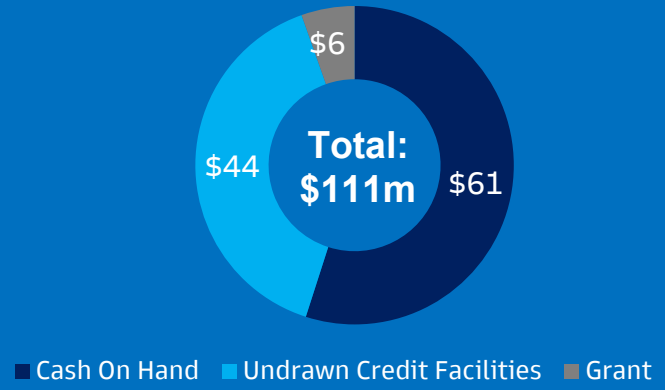
Dividends

YTD 2025: $16.4m

NCIB

YTD 2025 $3.9m

Liquidity[1] ($m)



1. Liquidity includes cash, undrawn credit facilities, and grants.

Closing Remarks

Rahim Suleman

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

Q&A

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