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First Quarter 2026 Results

TSX: NEO.TO | Earnings call | May 12, 2026

Disclaimer

Forward-Looking Information

This 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. 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; 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 rare earth and critical materials prices; 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 superalloy and superconductor materials; anticipated commercial launch of Neo’s new permanent magnet facility in Europe and related commercial production estimates, commissioning and costs associated with the facility; expectations regarding tariffs and export restrictions; securing new automotive customer agreements for permanent magnet and emission catalyst facilities; expectations concerning the continued growth of the Magnequench project and improvements in operations; Neo’s design of its internal controls over financial reporting and disclosure controls and procedures; and Neo’s 2026 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 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 2026 guidance reflects management’s expectations regarding the Company’s financial performance in fiscal 2026 based on assumptions which Neo believes to be reasonable as of the date of this presentation, including but not limited to continued Magnequench growth, operational improvements in C&O, relative stability in rare earth pricing, continued strong hafnium demand alongside elevated pricing and tight raw material supply conditions, reduction in operating expenses, expectations regarding tariffs and export controls, and securing new customer agreements for permanent magnet and emission catalyst facilities. 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 filings available under Neo’s profile at 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”, “Free Cash Flow”, “Gross Margins”. 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.

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Beating Expectations: Highest Adjusted EBITDA[(1)] in Neo's history

$36 million in Adjusted EBITDA[(1)], up from $17 million the prior year

- **Record Breaking Quarter for Rare Metals**: Adjusted EBITDA[(1)] up over 175% and revenue increased 75% year-over-year.
- **Operational Momentum:** Magnequench posted its strongest quarter since 2022 and Chemical & Oxides its best since 2023.
- **Favourable pricing environment** across key materials, especially record-high Hafnium and strong Gallium.

Neo Raises Full Year 2026 Adjusted EBITDA[(1)] Guidance

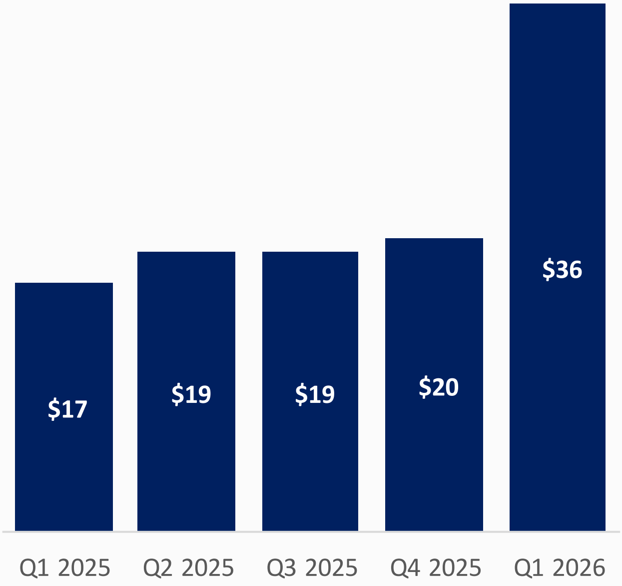
$100 - $110 million

Up from $75 - $80 million

[(1)] Neo reports non-IFRS financial measures such as "Adjusted Net Income", "Adjusted Earnings per Share", "Adjusted EBITDA", "Adjusted EBITDA Margin" and "EBITDA". Information on non-IFRS financial measures is included in the "Non-IFRS Financial Measures" section of this news release and in the most recent MD&A, available at neomaterials.com and on SEDAR+ at sedarplus.ca.

Trending Adjusted EBITDA[(1)] ($m)

Quarterly Adjusted EBITDA[(1)] up 111% year-over-year



Strategic Updates

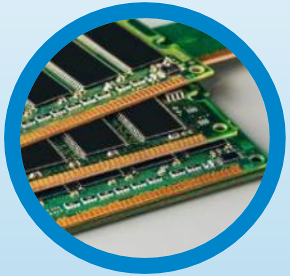
1 Rare Metals Business

2 Rare Earth Magnets in Europe

3 Heavy Rare Earth Separation in Europe

4 AI Initiatives Announcement

Rare Metals & Critical Materials



Gallium

Tantalum

Hafnium

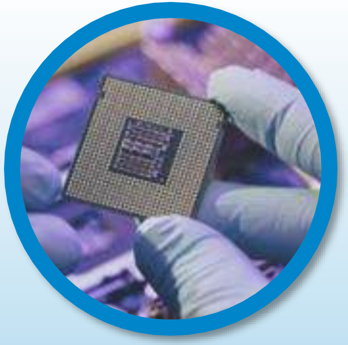
Niobium

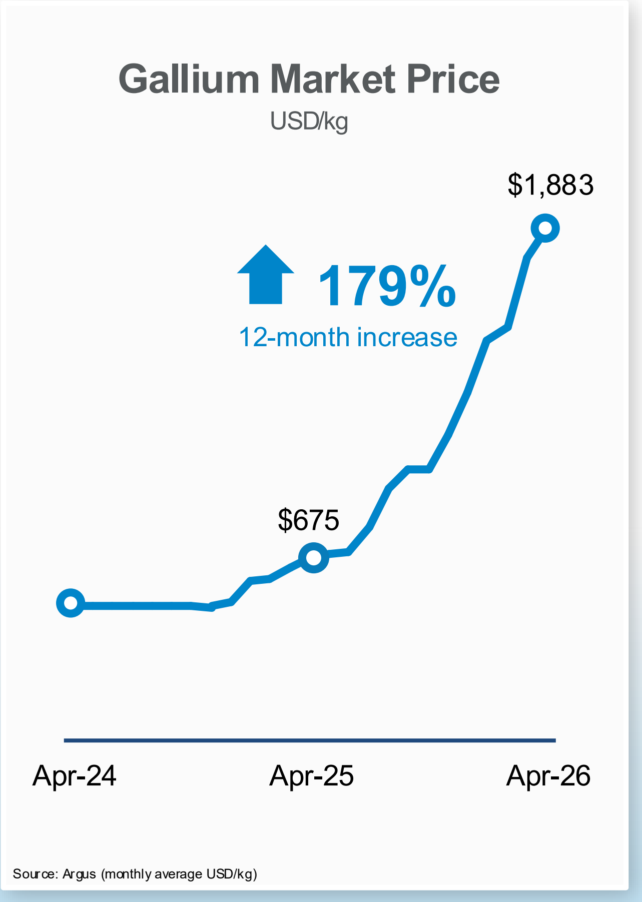
PROJECT VAULT

Gallium

Used in semiconductors, lighting and permanent magnets

Neo: the largest and most experienced gallium recycling and upgrading operator in North America





Hafnium and Tantalum

Used in the Nuclear, Space and Aerospace industries

Neo: the only recycler and processor of scrap hafnium in Europe

Hafnium Market Price

USD/kg

Source: Argus (monthly average USD/kg)

Tantalum Market Price

USD/kg

Source: Argus (monthly average USD/kg)

European Permanent Magnet Facility

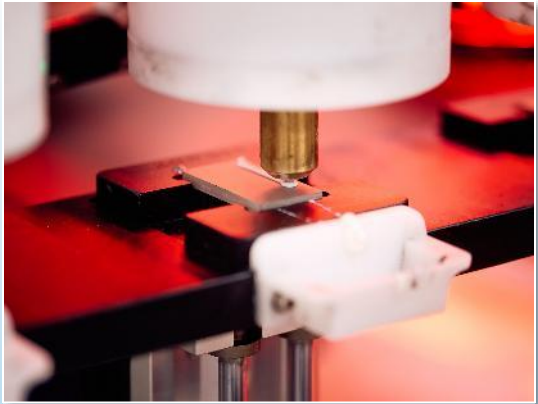
Production milestone
1 million permanent magnets produced

2-3 customer programs
launching this year

Phase 1B planning
Engineering, long-lead equipment, supply chain planning

Phase 1B
~2,000 mt to ~5,000 mt per year

Long-term roadmap
20,000 mt annually



New HRE Separation Line in Silmet

Milestone delivered

The first separation of terbium and dysprosium, completed entirely in Europe.

Value chain extended

Neo’s light and heavy rare earth separation gives us Europe's most vertically integrated magnetics platform.

Advancing AI Through Strategic Partnership

A defined target opportunity

30-years of operational data

Extensive domain expertise

Our data science team
+ TalTech team

Operating infrastructure and
equipment to improve our models

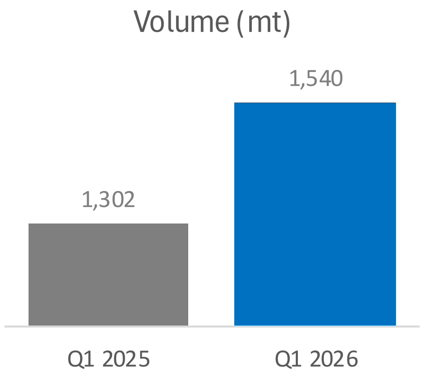
Q1 2026 Financial Results

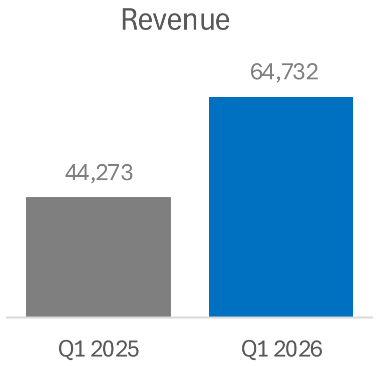
Strong Performance Supported By Resilient Demand, Cost Discipline and Strategic Execution

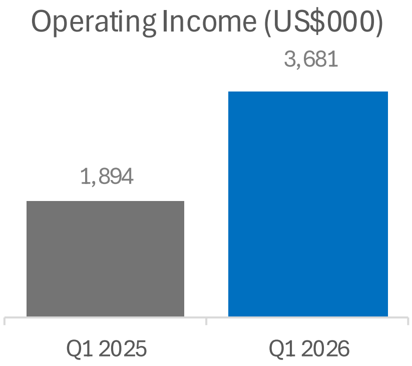
	NET SALES	ADJUSTED EBITDA[1]	ADJUSTED EPS[1]	NET DEBT
Q1'26	$155M	$36.2M	$0.36	$112.5M
Q1'25	$122M	$17.1M	$0.15	$(6.2m)

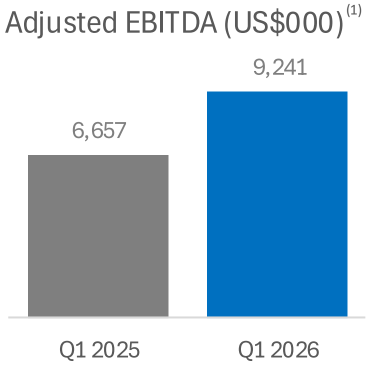
1. Non-IFRS Financial Measure. See "Non-IFRS Financial Measures" in the disclaimer section for further information. Note: All financial values are in US dollars, except when stated otherwise
2. As at March 31, 2026
3. Net Working Capital is estimated as: (Current Assets – Cash) – (Current Liabilities)

Magnequench







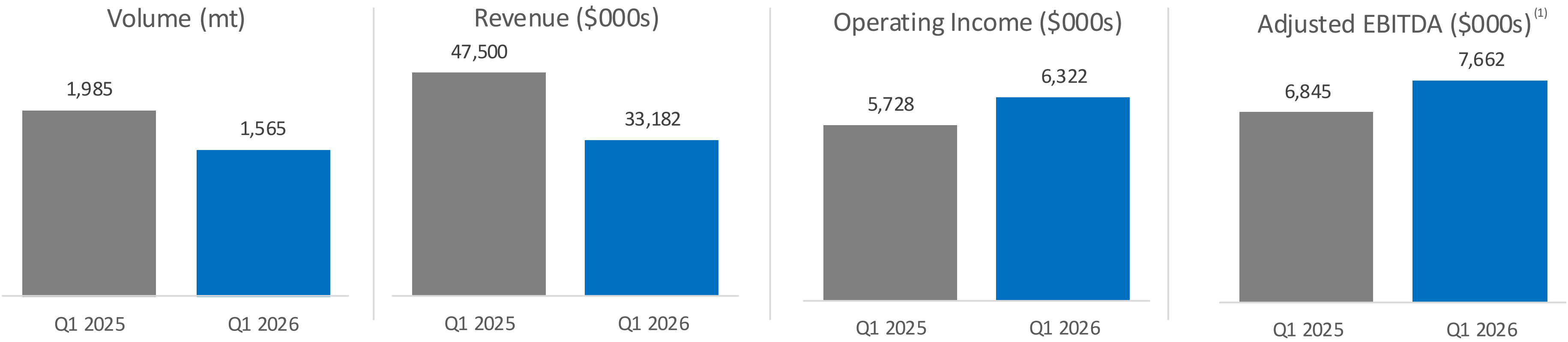


Q1 2026 Highlights

- **Volume:** Increased 18.3%, reflecting strong execution across the business, continued momentum in bonded magnets, and broadly favourable end-market conditions across core applications.
- **Operating Income:** Increased nearly 95% year-over-year, driven by continued operational discipline across the manufacturing network, including improvements in labour productivity, energy efficiency, and process optimization.
- **Adjusted EBITDA:** Magnequench delivers strongest quarterly Adjusted EBITDA Performance since 2022 with Adjusted EBITDA of $9.2 million, improving 39% year-over-year, reflecting higher volumes, favorable product mix, and a supportive pricing environment.

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

Chemical & Oxides

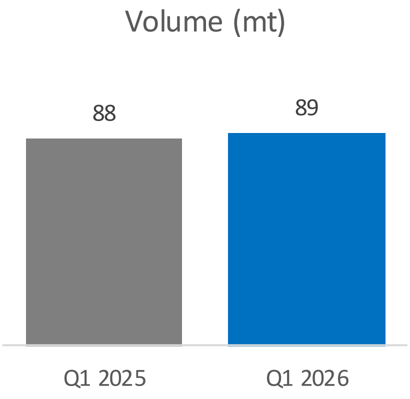


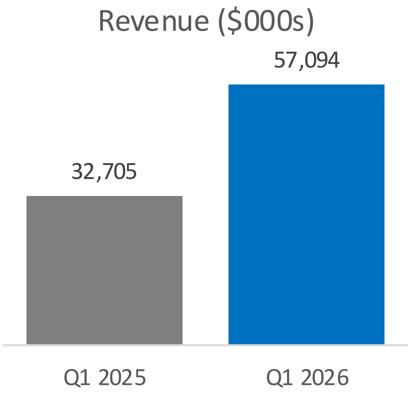
Q1 2026 Highlights

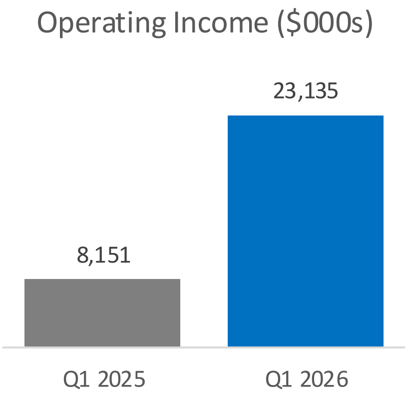
- **Volume:** Emission Catalyst volume grew 6.9%, building on a strong prior-year performance and reflecting continued solid commercial execution.
- **Operating Income:** Increased 10.4% year-over-year, benefitting from rising rare earth prices; C&O's overall exposure to rare earth price volatility has been significantly reduced, resulting in a more resilient and predictable earnings profile.
- **Adjusted EBITDA:** C&O's profitability continued to strengthen, with Adjusted EBITDA of $7.7 million, reflecting a 12.0% increase year-over-year.

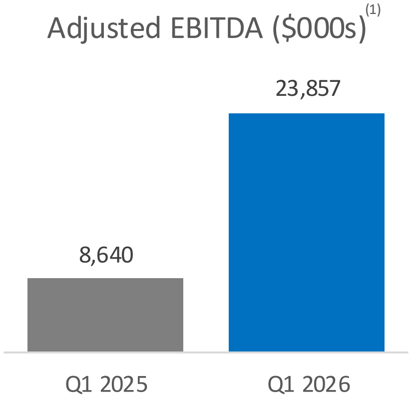
1. Non-IFRS Financial Measure. See "Non-IFRS Financial Measures" in the disclaimer section for further information. Note: All financial values are in US dollars, except when stated otherwise

Rare Metals









Q1 2026 Highlights

- **Revenue:** Increased 74.6% year-over-year as the segment continues to benefit from strong end-market tailwinds, particularly in hafnium and gallium, with demand driven by the aerospace, industrial gas turbine, and semiconductor sectors.
- **Operating Income:** Increased 184% year-over-year, driven by stronger hafnium and gallium pricing and disciplined execution in securing scrap supply in a tight global supply environment.
- **Adjusted EBITDA:** Generated record Adjusted EBITDA of $23.9 million, representing a 176% year-over-year increase, driven by strength of the pricing environment and 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

Q4 2025		Q1 2026
$38M	Cash →	$42M
$103M	Gross debt →	$155M
$205M	Inventory →	$235M
$198M	Property, Plant & Equipment →	$199M

Updated Full Year 2026 Adjusted EBITDA Guidance:

$ 100M - $110M

Closing Remarks

Rahim Suleman

Q&A

Performance Materials

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