

# Rare earth magnetics & critical materials

Fast-forwarding the clean energy transition

A Generational Opportunity

# Disclaimer

## Forward-Looking Information

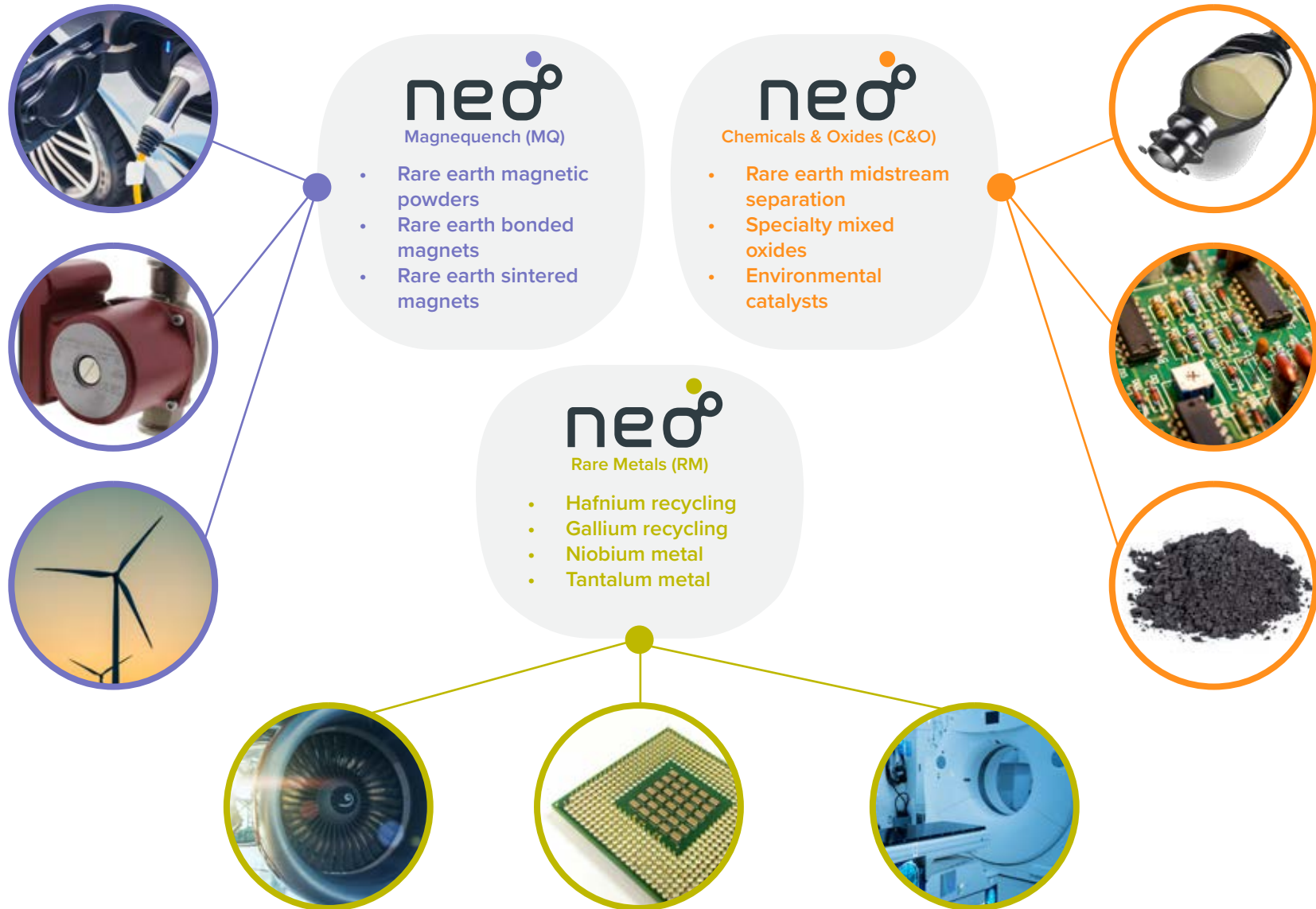
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November 14, 2024

# Navigating Neo's business units and applications



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# 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

~1,800

## Market Cap\*

CAD \$ 331.92 million

## Select Balance Sheet Metrics

**Cash** \$64 million  
**Inventory\*\*** \$138 million  
**Debt** (\$45) million

## Shares Outstanding

41,751,560  
 (Fully Diluted: 44,427,360)

## 52-Week Price Range\*

CAD \$5.50-8.69

## Recent Share Price\*

CAD \$7.95

*\* As of November 13, 2024*

*\*\* Excludes Assets Held for Sale*

## Analysts Covering Neo:

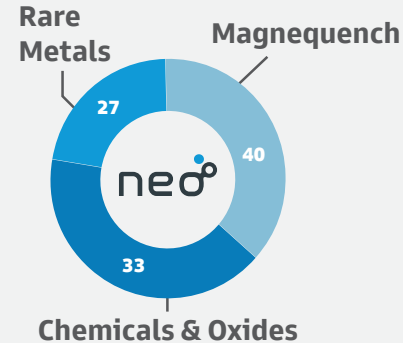
**Canaccord Genuity:** Yuri Lynk

**Paradigm Capital:** Marvin Wolff

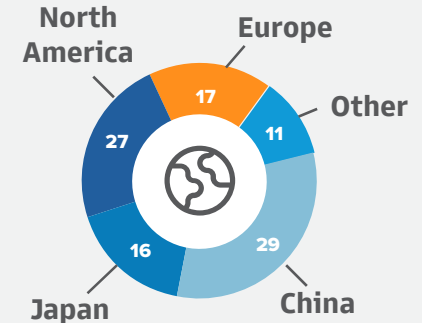
**Cormark Securities:** David Ocampo

**Stifel GMP:** Ian Gilles

## Revenue by Segment (LTM) %



## Revenue by Geography (LTM) %



## Updated Outlook on Adjusted EBITDA

Q3 2023		\$13M
Q3 2024		\$20M
YTD 2023		\$34M
YTD 2024		\$44M
FY 2023		\$37M
FYE 2024	YTD 2024	\$52-\$55M

Strong financial results of 28% increase in Adjusted EBITDA YTD year-over-year. Increased outlook for fiscal 2024 from \$45-\$50M of Adjusted EBITDA to \$52-\$55M.

## NEO at a glance - Global Leadership

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

### Rare Earth Magnetism market outside of China about to increase rapidly and sizeably

**30+** years RE magnetism experience inside and outside of China



**Most integrated** rare earth magnetism company in the world



Only operator of **parallel supply chains** – both inside and outside of China

### Global Leader in Rare Earth & Rare Metal Applications



**Top 3** producer of environmental emissions control catalysts



**Top recycler** of hafnium and gallium rare metals outside of China



Operator of strategic rare earth **separation facility in Europe** and global distributor of **heavy rare earth** oxides

### The Inflection Point in Rare Earth Magnetism

**85%** of all traction motors (for EVs) use rare earth magnets driven motors

+

=

**90%** of global RE magnetism are produced in China today

Massive investments by industry to create diversified supply

Automotive customers cannot have such geographic dependencies affecting powertrains for EVs

Governments in North America and Europe are putting both policy and real capital behind to create an independent RE industry

# Q3 2024 Major Highlights

## Strong Results and Outlook

- ~\$20 million Adjusted EBITDA in Q3 2024 (~50% YoY increase), and \$44 million Adjusted EBITDA in YTD 2024 (~30% higher than YTD 2023).
- Given the robust Q3 2024 performance, we increase our FY 2024 Adjusted EBITDA outlook from \$45 - \$50 million to \$52 - \$55 million.
- We expect our FY 2025 Adjusted EBITDA to be \$53 - \$58 million.

## Capital Projects Progress

- Grand Opening in September 2024 of Neo's state-of-the-art environmental emission catalyst facility, NAMCO. Completed on time and under budget, NAMCO has requalified the majority of its products, remaining on track to meet full production levels in the fourth quarter of 2024.
- European sintered magnet plant progressing on schedule and on budget, with the building structure complete and all critical equipment ordered.

## Strategically Rebalancing the Portfolio

- Neo entered into agreements to sell 86% and 100% of its equity interests in JAMR and ZAMR separation facilities in China and its 80% stake in the Quapaw, Oklahoma gallium trichloride facility.
- JAMR's purchase price of \$25.6 million reflects a 10.7x multiple of the average trailing five-year EBITDA, while ZAMR's \$4.1 million is based on the asset value, and Quapaw's \$1.5 million reflects a 9.0x TTM EBITDA multiple.
- Neo will retain a 9% equity interest in JAMR, securing the exclusive right to distribute JAMR's heavy rare earth products outside of China for an initial term of 5 years.

## Strategic Review Process

- Neo progresses with its special committee-led strategic review process to maximize shareholder value.
- Neo's financial advisors advance the strategic options review, and Neo continues to take steps to optimize its business, including divesting non-core assets and improving operational performance.
- No timetable for completion and no intention to comment further unless disclosure is necessary or appropriate. No assurances on the outcome or timeline.

# Neo's Portfolio Transformation: Promise Made, Promise Kept

Initiatives to simplify and streamline its portfolio will enable improved earnings quality and expanded EBITDA margins

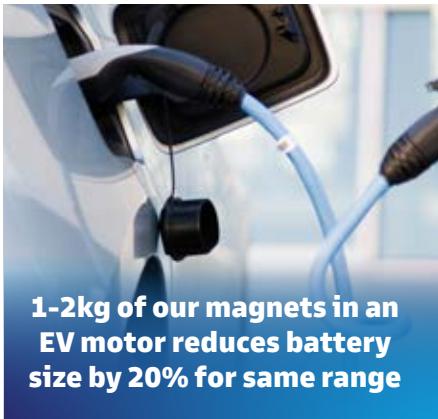
Commitment	Delivery	Expected Outcomes
<b>Manufacturing Strategy and Operational Footprint</b>	<ul style="list-style-type: none"> <li>shutdown light rare earth solvent extraction in China</li> <li>closed midstream portion (hydromet) of tantalum and niobium product lines</li> </ul>	<ul style="list-style-type: none"> <li>improving ROCE</li> <li>reducing earnings volatility</li> <li>improved profitability (higher margin sales, focus, reduced headcount)</li> <li>reduced inventory</li> </ul>
<b>Expanded Supply Chain Sourcing Diversification</b>	<ul style="list-style-type: none"> <li>Rare Metals: 4 new suppliers for European midstream metal-making facility</li> <li>Rare Earths: MOU with Meteoric Resources from the Caldeira Project in Minas Gerais, Brazil</li> </ul>	<ul style="list-style-type: none"> <li>ceasing historical dependency on single ore supplier</li> <li>new sourcing geography for European separation</li> </ul>
<b>New Customer Agreements for Magnetic and Critical Materials</b>	<ul style="list-style-type: none"> <li>commercial award for new European sintered magnet plant to supply Tier 1 Manufacturer of EV Traction Motors</li> <li>commercial award for Neo's next generation of heavy-rare-earth-free magnets for traction motors of commercialized vehicles</li> <li>25% of gallium business converted to a tolling arrangements with strategic customers</li> </ul>	<ul style="list-style-type: none"> <li>won an international competitive bidding process for the Tier 1's platform</li> <li>35% of Phase I plant capacity at peak year of platform</li> <li>new and additional HEV motor platform with new manufacturing process developed</li> <li>steady value-added margins</li> <li>control of gallium scrap within Neo ecosystem</li> </ul>
<b>Simplification of Business</b>	<ul style="list-style-type: none"> <li>sale of equity ownership in Rare Metals' US gallium trichloride facility, while maintaining exclusive supply chain agreement</li> <li>sale of ZAMR and majority equity ownership of JAMR, while maintaining exclusive distribution agreement for light and heavy RE specialty products</li> </ul>	<ul style="list-style-type: none"> <li>improved focus and simplification</li> <li>reduced volatility of earnings</li> <li>reduced inventory</li> </ul>



# Growth Drivers

Neo's products are vital to key technologies in growth industries

## Electric Vehicles



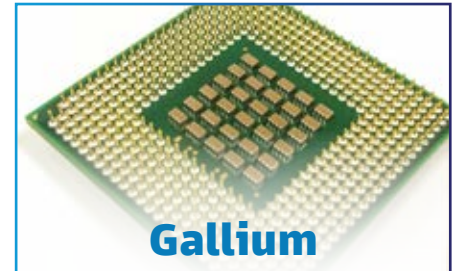
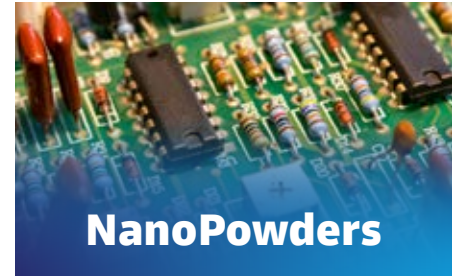
## Energy Efficient & Powerful Motors



## Environmental Footprint Reduction



## Advanced Microelectronics & Aerospace Technologies

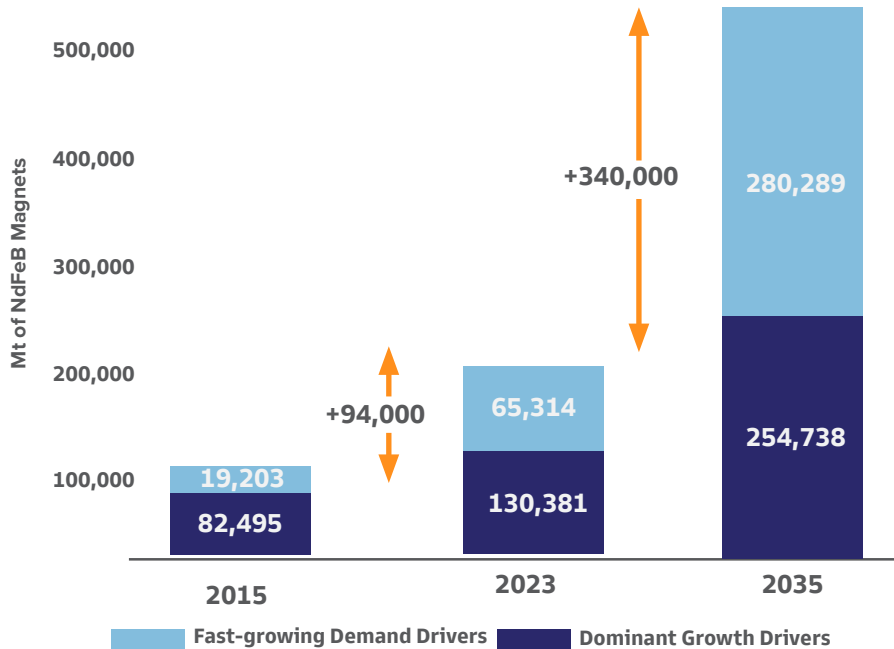


With experience supplying these growing markets, Neo can amplify the value it captures from its product mix.

# Understanding the Global Rare Earth Magnet Growth Curve

Growing Demand for HEVs & PHEVs: A Net Positive for NdFeB Magnet Growth Despite Slower BEV Adoption

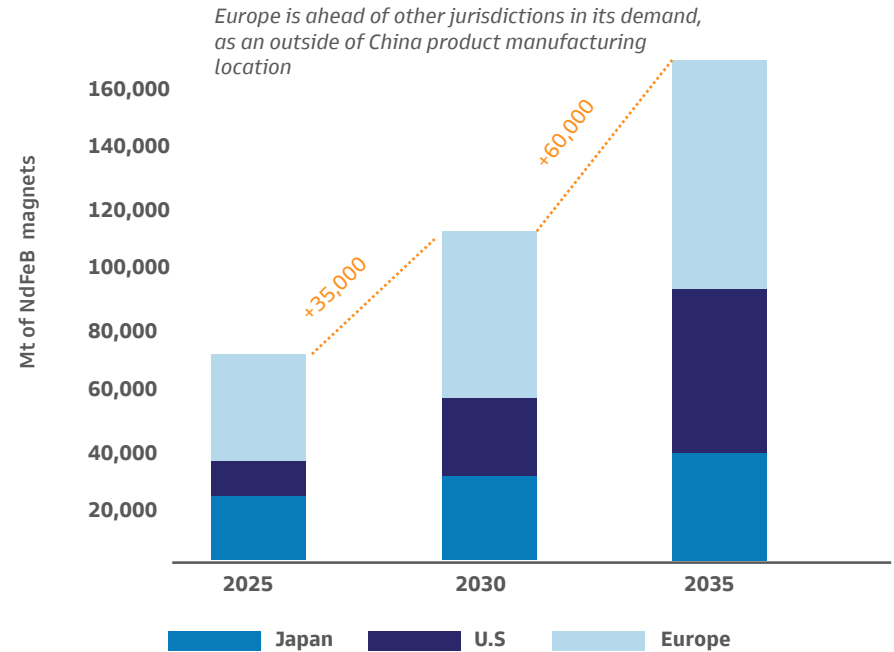
### NdFeB Magnet Total Global Demand



Fast-growing dominant demand drivers:

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

### NdFeB Magnet Demand for Product Manufacturing Outside of China (all applications)



Market Size For U.S., Europe and Japan in 2035

**\$10B**

\*160,000+ mt converted US dollar value, at ca. \$60/kg assumption.

The new growth drivers of rare earth magnetics require a parallel supply chain.

**Focus on  
Rare Earth EV  
Magnetics Growth  
in Europe & North  
America**



# Neo's New Positioning in the EV Magnet Growth Curve

An example of Neo's growth opportunities in rare earth magnetics: EV traction motors in Europe and North America

## EV Magnet Europe & North America Market Opportunity in 2035

**40M EV** x **1.5KG/EV** x **\$60/KG**

EV motors produced in North America and Europe by 2035

Average motor content of Sintered NdFeB Magnet

Average Selling Price of Magnet

Source: BMO Research and Management Estimates

**\$90/EV**

Indicative rare earth magnet value per vehicle

**\$ 4 billion**

Market Size by 2035, Europe & North America

Source: Adamas Intelligence, BAML Securities, and Management Estimates



*"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

## First Outside of 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:

- **Won award with Tier 1 manufacturer** for 1/3 capacity of Phase 1
- Magnequench's **three decades of experience** in magnet production and automotive sales
- **Co-location** with current separations facility (15 mins away)

Phase 1: 2,000 t/year      Anticipated Phase 2: 5,000 t/year total



Future North America Facility in early planning and consideration stage

**Neo's Goal: to capture at least 15% market share in the geographies it aims to supply.**

# Why now? Inflection Point in Industry

Paradigm shifts creating major opportunity for Neo Performance Materials

## Energy Transition and Electric Vehicles

- EVs to grow globally from **11 million to 63 million by 2030\***
- 85% of EV motors today use RE magnets
- Net neutral 2050 targets require energy-efficient motors

## Customers Requiring Supply Chain Diversification

- ~90% of rare earth magnets presently from China
- OEMs cannot depend on a single jurisdiction for their magnets for EV

## 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



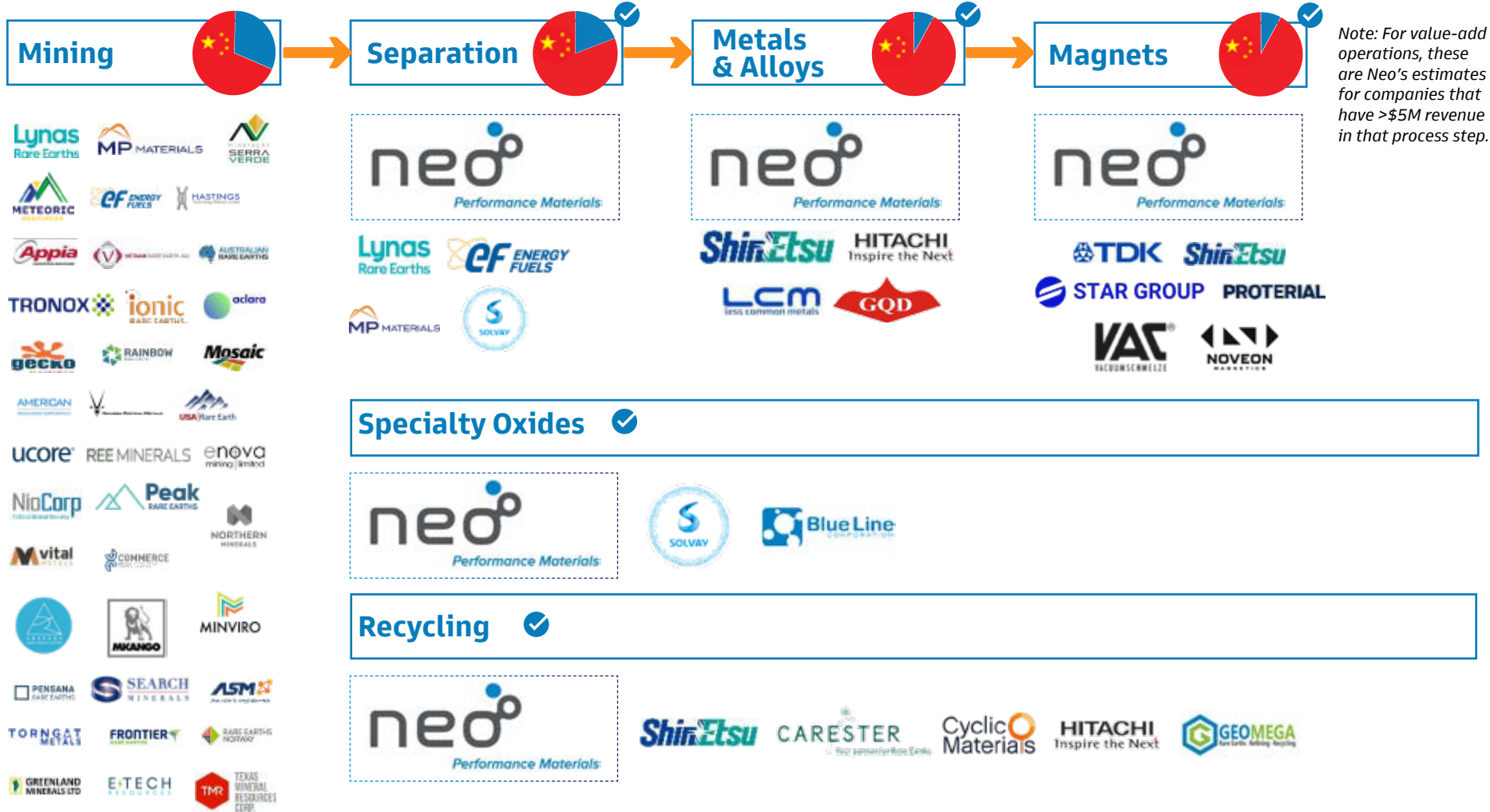
**Currently under construction sintered magnet facility in Narva, Estonia**

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

\* Bank of America, Nov 2023

# Current commercialized rare earth value chain, outside of China

Neo **already** has the most integrated presence in the value chain, with non-captive assets  
 Most integrated and only dual supply chain to serve customers:



Note: For value-add operations, these are Neo's estimates for companies that have >\$5M revenue in that process step.

Source: The pie charts reflect production China (red) vs. Rest of World (blue) – they are based on Management estimates from consolidated data from Adamas, the US Geological Survey, and supplier/customer discussions.

# Neo's Proven Magnetics Competency

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

## First-of-its-kind EV Motor-Magnet Customer Case:

*Traction Motor Magnet Material Without Heavy Rare Earths*



Neo was recently awarded a next-generation of a HRE-free traction motor platform with a new manufacturing process



## Complex Motor-Magnet Design Customer Case:

*Ultra-High-Speed Motor, major cost savings innovation*

### Confidential Customer (\$8 billion Motor OEM)

#### Motor Magnet Design Challenge:

The customer's magnet portfolio was not able to withstand the centrifugal force of their new ultra-high-speed motor design, while manufacturing costs were not meeting the target threshold.

#### Neo Magnequench's Unique Solution:

Neo developed an innovative magnet design to tackle this complex engineering challenge. Their R&D teams created a product capable of withstanding centrifugal forces without needing a carbon fiber sleeve, reducing costs and enhancing motor performance.



Neo has a long history of technical and engineering experience in RE magnetics.



neo<sup>o</sup>  
Performance Materials

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# Business Units in Focus

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# Business Unit Focus: Magnequench

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**, 75+ **R&D scientists** and **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 (Chuzhou, China) in Q3 2019 marked Neo's beginning in making bonded magnets.
- 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 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.
- Successful integration of development, manufacturing and sales opportunities - adding assembly capabilities.

### Customers

**YASA**

**gm** general motors

**CATERPILLAR**

**BorgWarner**



**dyson**

**BOSCH**



**Sensata**  
Technologies



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

- **Three decades** of experience in rare earth production
- Only company to have rare earth separation capabilities **both inside and outside of China**
- **Heavy** rare earth separation capabilities
- **Non-captive** separation facilities in Europe and China
- Track record in rare earth **supply chain development**:
  - Currently, most globally diversified rare earth sourcing
  - Offtakes and MOUs with numerous up-and-coming projects
- Commercialized Water Treatment product from non-magnetic rare earths
- Most advanced **R&D lab** and largest **technical salesforce outside of China**
- **Top 3 producer** of Environmental Emissions Control Catalysts



**NAMCO Control Room**



**Neo 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
- 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

## New Product Development



### Municipal Water Treatment Plants



### Fire Retardant Applications



### Anti-viral/-microbial Applications

**New NAMCO facility for automotive catalytic converter material**

# Business Unit Focus: Rare Metals

Recycling and high-purity refining value-add steps of critical minerals for growth industries

- ✓ High barriers to entry due to significant capital investment requirements and technical requirements.
- ✓ Diversified salesforce, R&D and engineering **outside of China**.
- ✓ Hafnium and gallium recycling and refining operations and production of critical materials **for microelectronics** and the **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



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

# Business Unit Focus: Rare Metals

The only LED and semiconductor-grade gallium producer in North America

## Operating Facility

- Location:** Ontario (Canada)
- Feedstock:** all recycled sources of GaAs crystal wafers and sludge, and GaN crystal scrap
- Products:** Ga metal at 6-8N purities,  $\text{Ga}_2\text{O}_3$

## 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 the bottom of the cell = "tapping". Spent electrolyte recycled to SX strip or used in pH modification.

Neo's commercially-operating production of gallium in Canada is increasingly relevant post the latest export restrictions of gallium from China.



Neo contributes 5% of the global gallium supply and recycles 25+% of global gallium-containing scrap.\*

Source: \*Management estimates from customer discussions.

## 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<sub>2</sub>-e Abatement via EVs

Empower the annual abatement of half gigaton CO<sub>2</sub>-e with EV Magnet.



### Protection of Freshwater

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



### Aviation Emissions Reduction

Tantalum in superalloys reduce aircraft weight and equivalently fuel consumption.



### ICE Emissions Reduction

Innovative formulation for next-generation emissions control catalysts with higher environmental requirements



### Circular Economy

Recycling gallium waste from semiconductor wafer manufacturing and refining it into high-purity commercialized products in the same value chain



### Water Circulation Pumps

Our magnetic powders used in water circulation pumps are energy saving. In the EU alone, the energy-saving impact was 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



Tianjin, China



Sillamäe, Estonia



Korat, Thailand



Zibo, China



Jiangyi, China

- **Occupational Health & Safety:** Over the 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



Neo published its second Annual Sustainability Report in November 2023.





# Quarterly Progress & Financial Results



# Consolidated Financial Statements

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

## Income Statement Selected Data

	Q-over-Q Comparison		Year-over-Year Comparison	
	Q3 2024	Q3 2023	YTD 2024	YTD 2023
<i>US\$ 000s</i> <i>(excl. EPS)</i>				
Revenue	\$111,281	\$136,917	\$340,925	\$442,877
Adjusted EBITDA	\$19,555	\$13,160	\$43,707	\$34,122
Adjusted net income (loss)	\$1,139	\$4,013	\$6,783	(\$1,876)
Adjusted EPS	\$0.03	\$0.09	\$0.16	(\$0.04)

## Balance Sheet Selected Data

	Q-over-Q Comparison		Year-over-Year Comparison	
	Q3 2024	Q3 2023	YTD 2024	YTD 2023
<i>US\$ 000s</i>				
Cash Tax Paid	\$5,529	\$3,288	\$18,832	\$11,321
Sustaining CapEx	\$1,403	\$2,680	\$6,397	\$8,136
CapEx for Projects	\$19,936	\$5,113	\$50,990	\$11,493

## Shareholder Related Selected Data

	Q-over-Q Comparison		Year-over-Year Comparison	
	Q3 2024	Q3 2023	YTD 2024	YTD 2023
<i>US\$ 000s</i> <i>(excl. EPS)</i>				
Dividends Paid to Shareholders	\$3,057	\$3,339	\$9,268	\$10,061
Dividend per common share	\$0.10	\$0.10	\$0.10	\$0.10
Repurchase of common shares under NCIB	\$0	\$15,482	\$2,250	\$16,684

## Cash Flow Statement Selected Data

	Comparison	
	Sept. 30, 2024	Dec. 31, 2023
<i>US\$ 000s</i>		
Cash* (including restricted)	\$64,944	\$90,252
Inventory**	\$138,824	\$197,453
Debt	(\$45,070)	(\$25,331)

Notes: \*Major non-operating cash outflows were CAPEX, debt repayment and dividend paid.

\*\*\$36.8 million moved to Assets Held for Sale of JAMR, ZAMR and Quapaw.

Downstream margins driving growth as we continue to simplify business.

# Financial Performance by Business Unit

neo <small>Magnequench</small>	Q-over-Q Comparison		Year-over-Year Comparison	
	Q3 2024	Q3 2023	YTD 2024	YTD 2023
<i>US\$ 000s (excl. volume)</i>				
<b>Volume (tonnes)</b>	1,366	1,389	3,769	3,413
<b>Revenue</b>	\$45,573	\$54,414	\$133,149	\$158,908
<b>Operating income</b>	\$2,465	\$2,911	\$8,106	\$4,943
<b>Adjusted EBITDA</b>	\$6,424	\$6,042	\$18,704	\$15,199

## Quarter Highlights:

- YTD volumes have risen 10% year-over-year, driven by strength in bonded magnets, bonded powder spot sales and traction motor applications, partially offset by sustained demand softness within select end markets
- Operational and commercial actions to improve profitability and pass-through pricing provisions to reduce the lead-lag led to a ~24% YTD EBITDA growth year-over-year
- Magnet plant construction in Europe remains on schedule and on budget with the building structure complete, all critical equipment ordered, and installation started

neo <small>Chemicals &amp; Oxides</small>	Q-over-Q Comparison		Year-over-Year Comparison	
	Q3 2024	Q3 2023	YTD 2024	YTD 2023
<i>US\$ 000s (excl. volume)</i>				
<b>Revenue</b>	\$27,920	\$57,812	\$102,911	\$180,377
<b>Operating income (loss)</b>	(\$975)	\$6,068	(\$2,881)	\$1,466
<b>Adjusted EBITDA</b>	\$1,301	\$7,737	\$3,572	\$6,088

## Quarter Highlights:

- Separation business' gross margins show modest improvement with reduced lead-lag as prices stabilize but remain negative at \$2.3M YTD due to a subdued rare earth price environment and weaker demand for premium heavy rare earth products
- The announced sale of JAMR and ZAMR separation facilities is expected to return ~\$30M in cash, reduce earnings volatility, and be accretive or neutral to Adjusted EBITDA upon closing in Q4'24
- NAMCO relocation completed on time and under budget; on track to reach full production in Q4'24

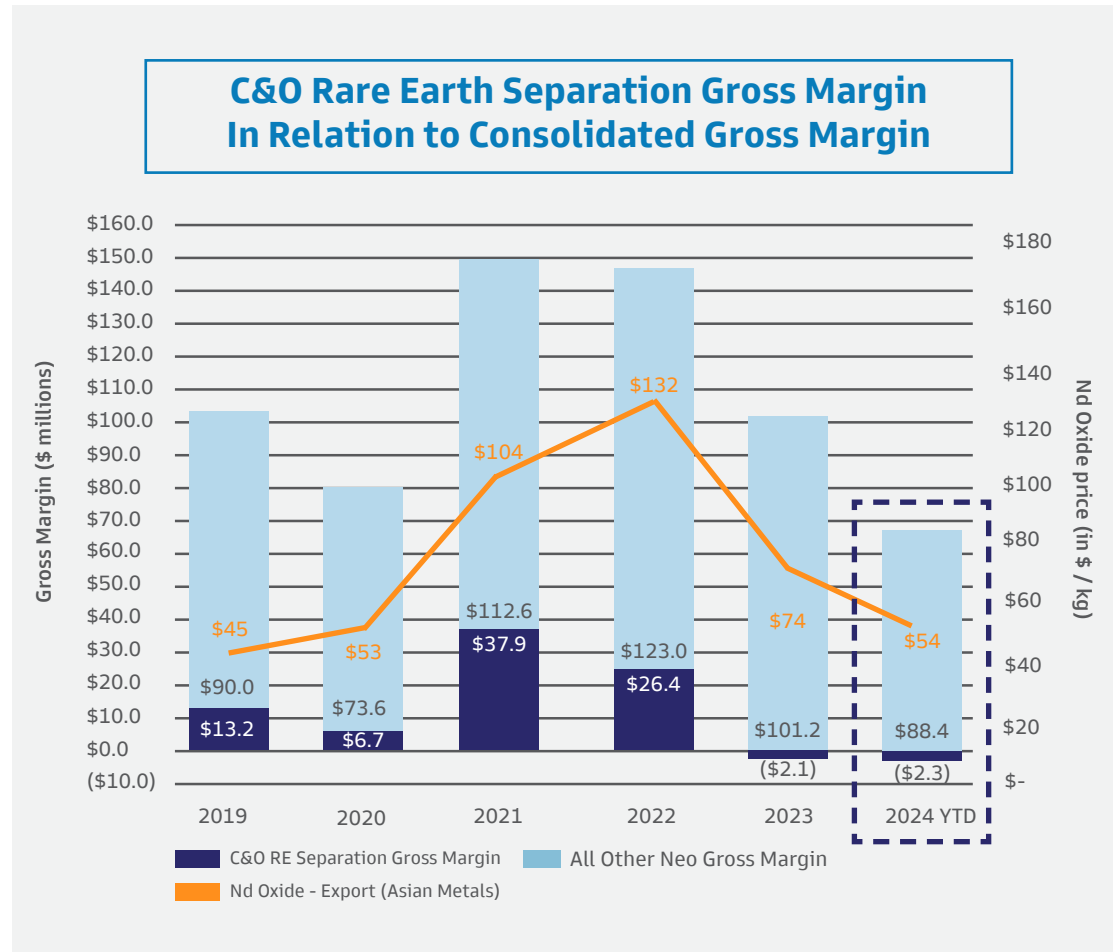
neo <small>Rare Metals</small>	Q-over-Q Comparison		Year-over-Year Comparison	
	Q3 2024	Q3 2023	YTD 2024	YTD 2023
<i>US\$ 000s (excl. volume)</i>				
<b>Revenue</b>	\$38,578	\$25,976	\$107,765	\$104,877
<b>Operating income</b>	\$15,852	\$2,749	\$33,225	\$25,267
<b>Adjusted EBITDA</b>	\$16,355	\$3,293	\$34,379	\$26,407

## Quarter Highlights:

- The Rare Metals segment continues to outperform in Q3'24, driven primarily by elevated hafnium volumes and margins due to the timing of customer pull-through on consignment material
- Niobium business consistently delivers improved financial performance with the closure of hydrometallurgical processing in 4Q'23
- The gallium recycling business sustains strong results, supported by geopolitical tailwinds

# Impact of Rare Earth Pricing on Gross Margins

- Volatility in rare earth prices can negatively or positively impact gross margins due to lead-lag (the selling of higher or lower cost inventory purchased months earlier)
- Lead-lag impact is primarily concentrated in C&O's separation business which operates in the midstream sourcing and processing of rare earth carbonate
- The remaining Neo businesses are less exposed to pricing volatility due to several factors:
  - Higher value-add products
  - Pass-through pricing agreements
  - Higher inventory turns
- Excess margins were earned in FY 2021 and 1H'22, while RE prices were rising. Abnormal negative impact on margins from 1H'22 to 3Q'24, while RE prices were falling



Source: Asian Metals Index Nd Oxide prices are reported on monthly average.

# Strategic Capital Projects Funding Plan

## Capital Spend Requirements

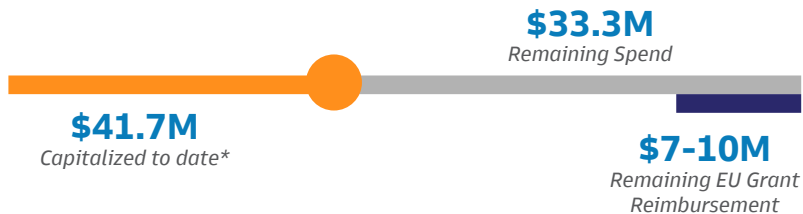
### NAMCO Relocation

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



### Sintered Magnet Plant in Europe

Advanced stages of construction; site commissioning in 2025



## Source of Cash

### Cash On Hand

**\$65M**

Some of this cash would be needed to fund regular operations

### Incremental Debt

**\$50M**

\$50M EDC credit facility available for European sintered magnets facility

### Cash from Operation

**Balance**

Continued strength in CFOA through strong working capital management.

\*as of September 30 2024



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# Governance & Management

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# 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 and 1 year as CEO
- 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

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



**Greg Kroll**  
EVP for MQ

- 23 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

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



**Irina Kuznetsova**  
Director, Investor Relations

Contact: [ir@neomaterials.com](mailto:ir@neomaterials.com)

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

## 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 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

- 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





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# Appendices

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# Why are Rare Earth Magnetics important for EVs/PHEVs

Rare earth magnets are critical in all motors of EVs, including traction motors

## Traction Motors

### EV Traction Motors

- 1-2kg of rare earth magnets in EV traction motor
- 85% of EV motors use rare earth magnets

## Other Motors in All Vehicles

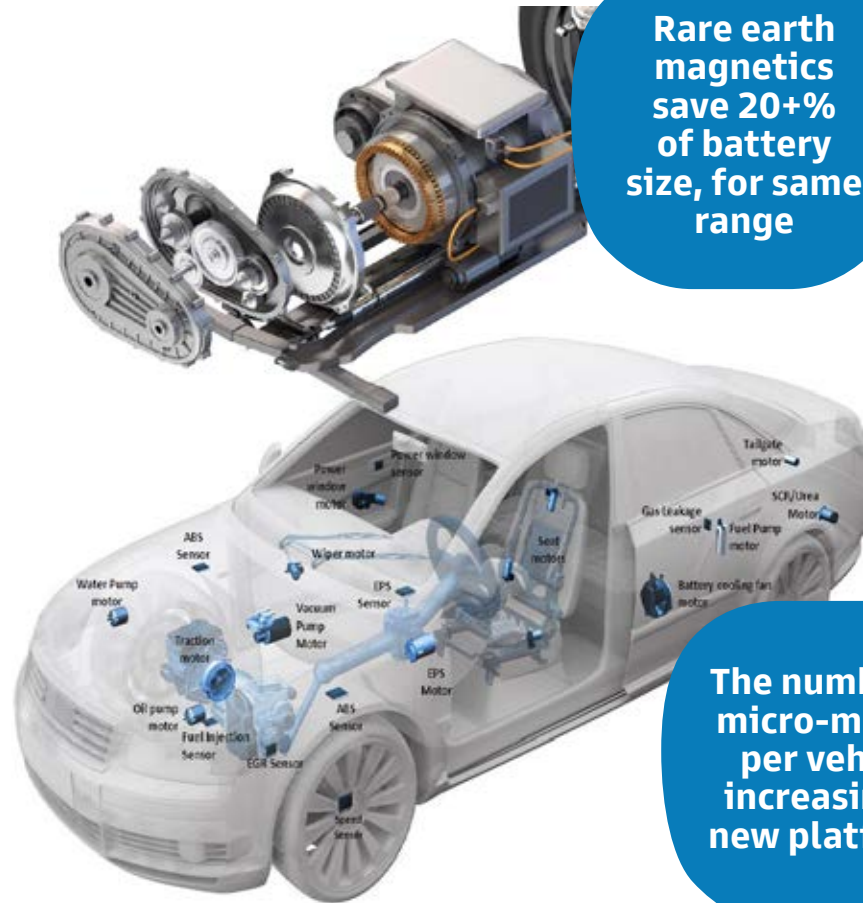
### Brushless DC (BLDC) Motors

- Autonomous vehicles add demand for BLDC motors with rare earths magnets
- BLDC motors with rare earth magnets are growing as they become the design choice for lower cost electronics

### Other Motors

Continued growth in bonded magnet applications:

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



Rare earth magnets are to EV traction motors, what lithium & cobalt are to batteries.

# How the outside of China EV motor magnet market unfolds

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

Neo wins with:

- ✔ **Experience in the Rare Earth Industry** - operating dual supply chains inside and outside of China, along the value chain
- ✔ Its **25 years of RE magnet R&D**, commercialization and manufacturing
- ✔ Its **three decades of automotive** qualification and supply experience



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JLMAG

韵升集团  
YUNSHENG  
YUNSHENG GROUP

正海磁材  
ZHMAG

中科三环  
ZHONG KE SAN HUAN

天和磁材  
TIANHE MAGNETICS

XTC 金龙稀土  
GOLDEN DRAGON RARE-EARTH

大地熊  
Earth-Panda

YSH



ShinEtsu

STAR GROUP

DAIDO

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MP MATERIALS

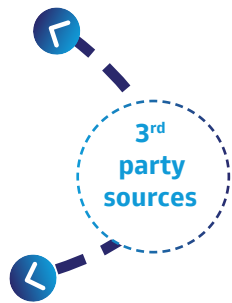
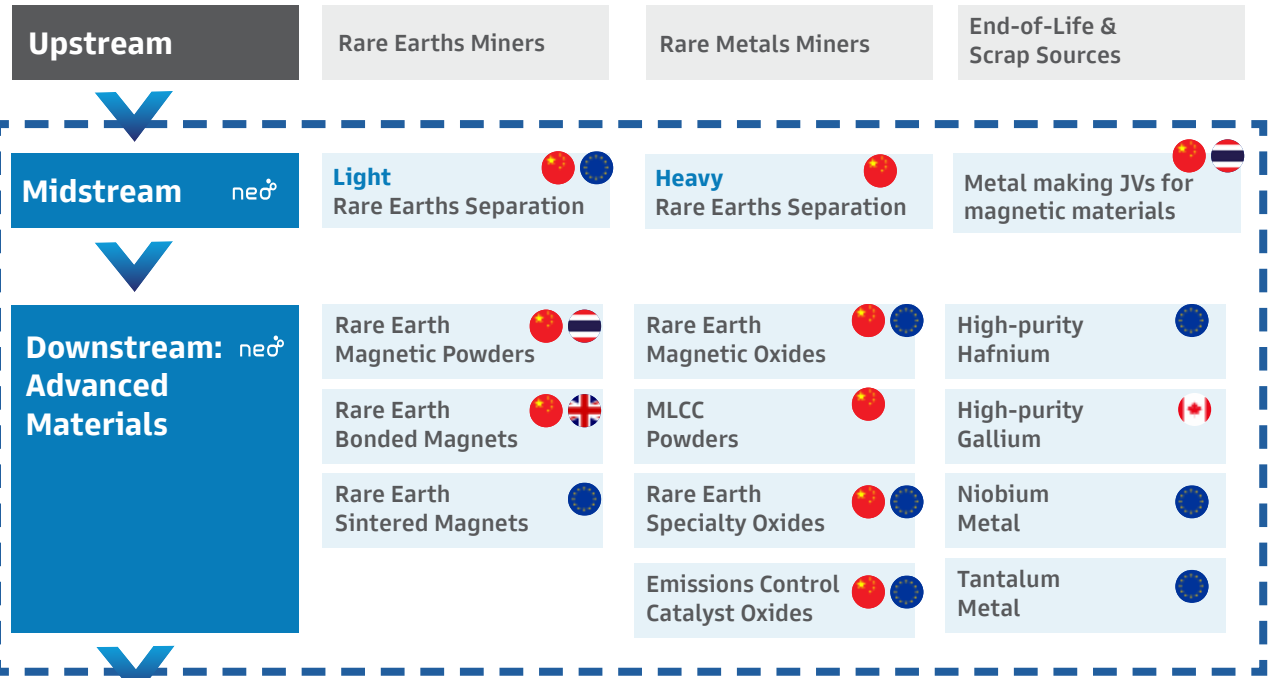
VAC  
VACUUMSCHMELZE

NOVEON  
MAGNETICS

2035 competitor landscape for EV magnets sold outside of China.

# Neo's Position in Parallel and Integrated Supply Chain

Non-captive midstream & downstream assets offer supply chain resilience and optionality to our customers



Global engineering centres at talent hubs: Singapore, UK, Estonia, Canada. Global sales offices that speak the language of our customers – literally & technically.

Neo is focused on advanced, value-add processing of critical materials. Global manufacturing in low-cost jurisdictions:
   
  
 China  
 Thailand  
 Estonia

## Customers



The logo for Neo Performance Materials features the word "neo" in a lowercase, sans-serif font. The letter "o" is stylized with a white dot above it and a white ring to its right, resembling a molecular structure or a stylized "o".

neo

*Performance Materials*

**Corporate Headquarters**

Suite 1740, 121 King Street West  
Toronto, Ontario, Canada, M5H 3T9  
Phone: (416) 367 8588