neo Performance Materials

August 9, 2024

Rare earth magnetics & critical materials

Fast forwarding the clean energy transition

A Generational Opportunity

Disclaimer

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

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August 9, 2024

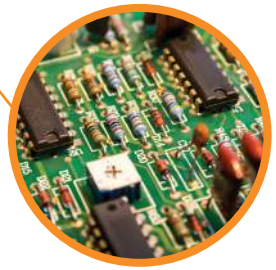
Navigating Neo's business units and applications

Magnequench (MQ)

- Rare earth magnetic powders
- Rare earth bonded magnets
- Rare earth sintered magnets

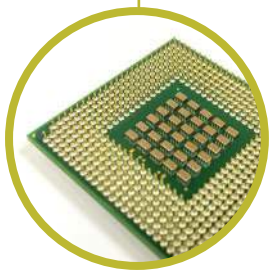
Chemicals & Oxides (C&O)

- Rare earth midstream separation
- Specialty mixed oxides
- Environmental catalysts



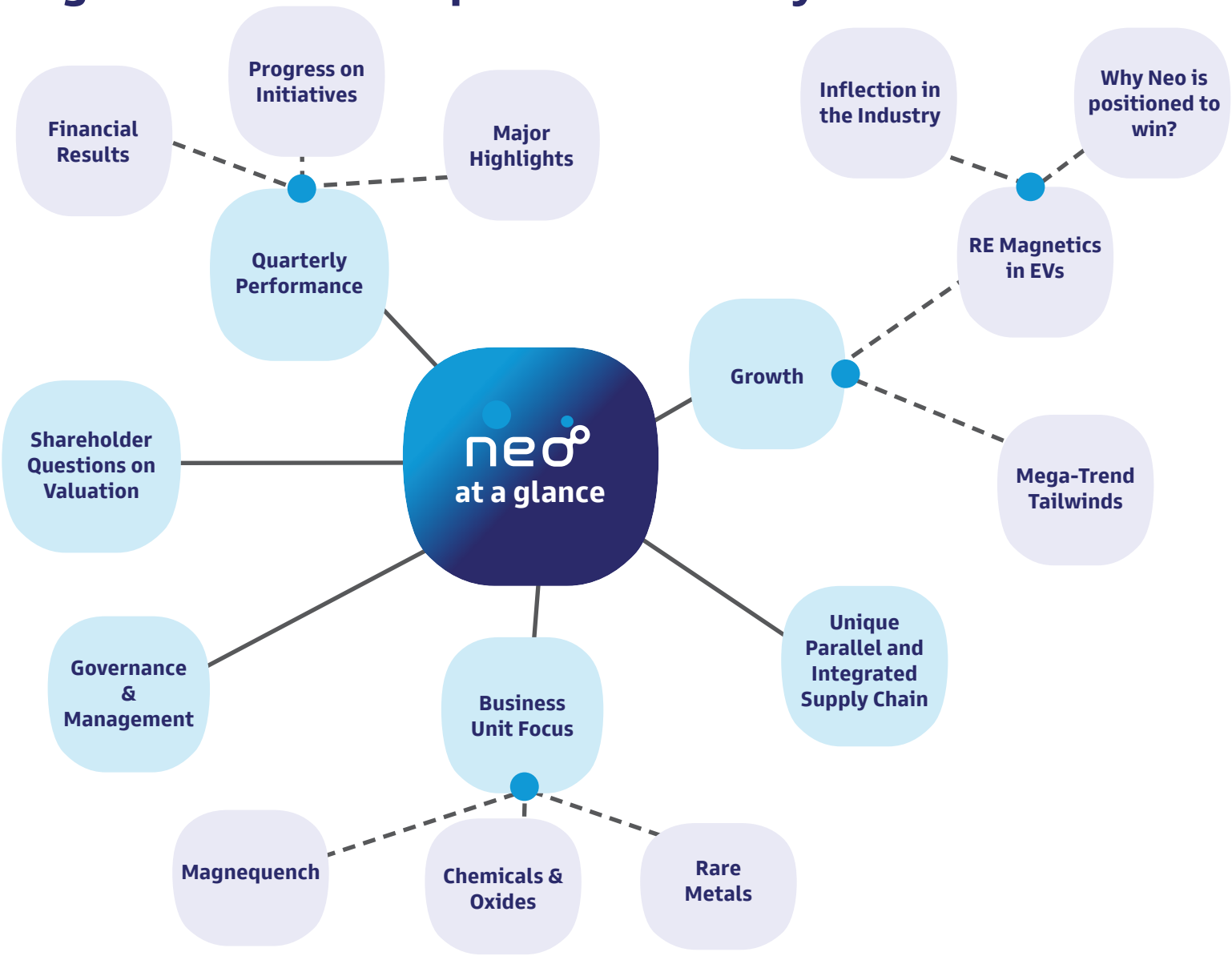
Rare Metals (RM)

- Hafnium recycling
- Gallium recycling
- Niobium metal
- Tantalum metal



Navigating Neo's inflection point thesis: why invest now

CLICK BUBBLE FOR SPECIFIC PAGE.



NEO at a glance - Global Leadership

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

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

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

Most integrated rare earth magnetics 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

Only operator to offer **parallel rare earth separation** supply chain

The Inflection Point in Rare Earth Magnetics

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

+

90% of global RE magnetics are produced in China today

=

Massive investments by industry to create diversified supply

Automotive customers cannot have such geographic dependencies affecting powertrain for EVs

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

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 $297 million

Select Balance Sheet Metrics
Cash USD $101 million
(incld. Restricted)
Inventory USD $164 million
Debt USD ($50) million

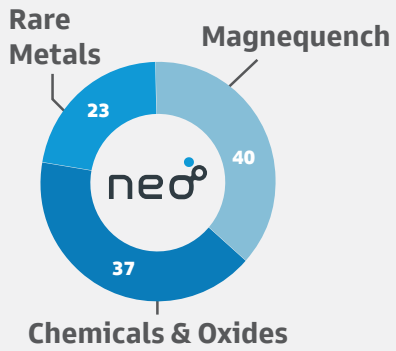
Shares Outstanding
41,751,560
(Fully Diluted: 42,427,360)

52-Week Price Range*
CAD $5.50-9.50

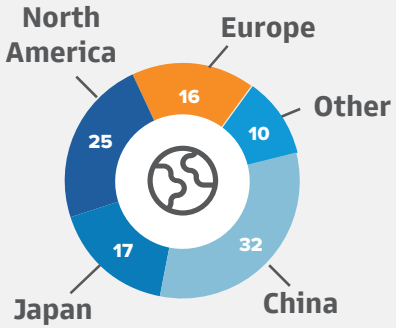
Recent Share Price*
CAD $7.12

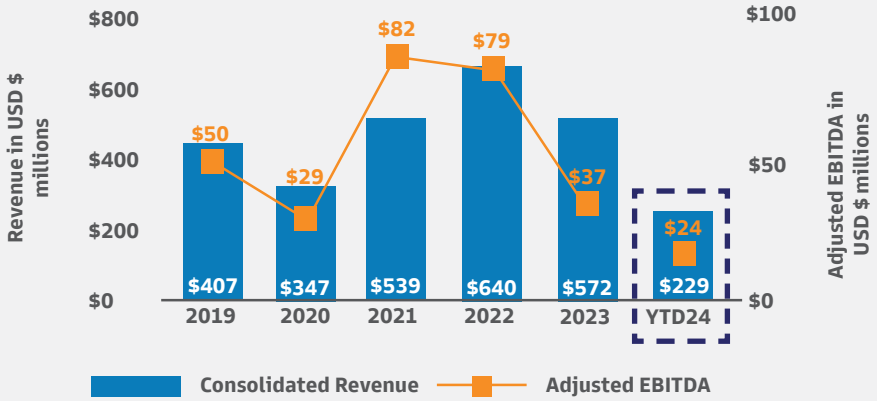
** As of August 9, 2024*

Revenue by Segment (LTM) %



Revenue by Geography (LTM) %





Analysts Covering Neo:

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

Q2 2024 Major Highlights

Top updates from the last quarter

Tier 1 Motor Awards for EV Traction Motors

- Commercial award peak year volume equivalent to **35% of completed Phase I capacity**
- Sintered magnets to be supplied by **Neo's Magnequench new manufacturing facility in Estonia, Europe**
- Production revenues are projected for the second half of 2026 through 2033, with peak supply to the customer expected in 2029.

Quapaw Rare Metals Facility Sale

- Neo entered into an agreement to sell 80% of its equity interest in Quapaw in consideration for an aggregate cash purchase price of **US$1.4 million which represents a 9.0x multiple of trailing 12 months** of the EBITDA of the facility.
- Neo will enter into a **five-year agreement** for the Quapaw facilility to continue purchasing gallium and indium from recycling facility in Peterborough, Ontario.

Double-Digit EBITDA Growth

- With a first half of **2024 consolidated Adjusted EBITDA of $24.2 million,** Neo has had a strong start to the year despite declining rare earth prices and continued soft demand in select end markets.
- Neo's fiscal year 2024 **outlook for Adjusted EBITDA is $45.0 million to $50.0 million,** which **increases** Neo's previously communicated outlook of double-digit percentage Adjusted EBITDA growth compared to fiscal year 2023.

Strategic Review Process

- **On June 14, 2024,** a Special Committee of independent directors was formed to lead a comprehensive strategic review process to consider strategic alternatives and opportunities to maximize shareholder value. It also retained independent financial and compensation advisors.
- No timetable for completion and no intention to comment further unless disclosure is necessary or appropriate. No assurances on outcome or timeline.

Promise made, promise kept to simply and streamline business to enable growth.

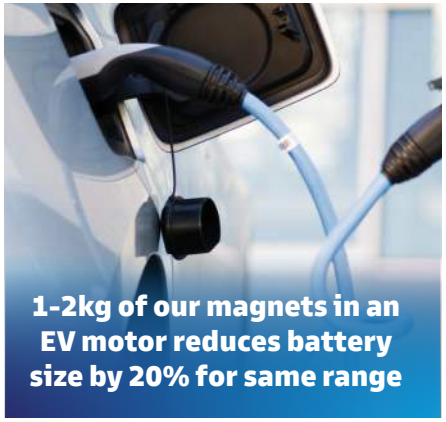
Update on Short-term Accountabilities - August 2024

Commitments	1-2 MOUs for Magnetic and Critical Materials	1-3 Sourcing Agreements to Diversify Supply and Support Growth	2-3 Changes in Manufacturing Strategy and Operational Footprint
Progress	✓ Awarded next generation of heavy-rare-earth-free traction motors, including for a new HEV platform, while also qualifying for a BEV platform with a new manufacturing process. ✓ Awarded gallium tolling contracts for recycled gallium eliminating volatility in earnings and provides steady value-add margins. ✓ Commercial award with leading European Tier 1 Manufacturer of EV Traction Motors for European sintered magnet facility, after competitive bidding process for platform.	✓ Entered into an MOU with Meteoric Resources for offtake of 3,000 metric tonnes of TREO per year from Caldeira Project in Minas Gerais, Brazil. ✓ Executed sourcing agreement for RE oxides outside of China supply for traction motor business. ✓ Added 4 oxide suppliers as part of Silmet's RM hydromet closure, ceasing historical dependency on single ore supplier. ✓ Part of tolling agreement is to maintain control of gallium scrap within Neo ecosystem.	✓ Shutdown light rare earth solvent extraction in Zibo, China to improve ROCE and reduce economic volatility ✓ Closed midstream portion (hydromet) of Silmet RM division. Benefits include lower inventory, lower volatility, reduced headcount, focus on highest value sales, and focused factory operations. ✓ 25% of gallium business converted to tolling arrangement with strategic customers, to reduce volatility of economics. ✓ Agreement to sell equity ownership in Quapaw, Oklahoma Rare Metals facility. Sale expected to streamline operations and reduce complexity of business.

Growth Drivers

Neo's products deliver critical properties that enable technologies vital to each of these growth drivers

Electric Vehicles

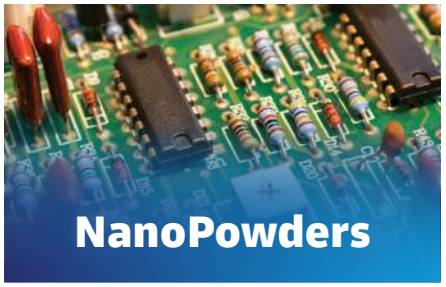


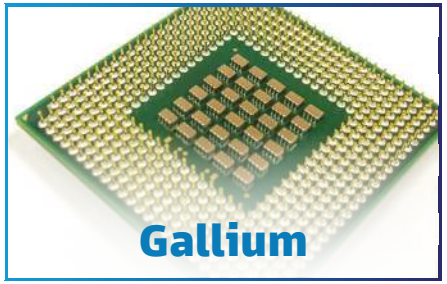
Global EV 2023-2030 CAGR expected at 17+%*

Energy Efficient & Powerful Motors

Environmental Footprint Reduction

Advanced Microelectronics & Aerospace Technologies



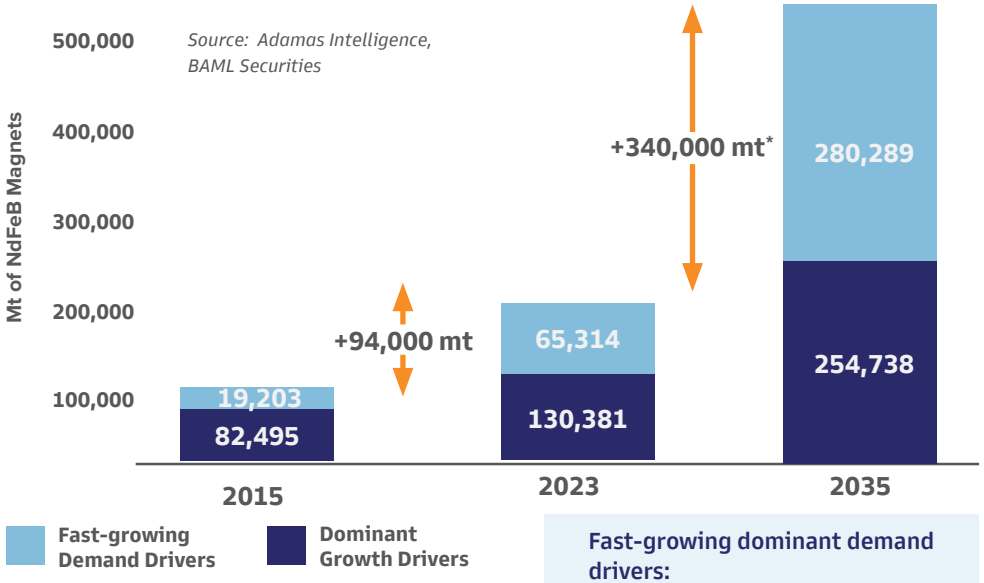


With experience supplying these growing markets, Neo can amplify the value it captures from its product mix.

**Source: Fortune Business Insights*

Understanding the Global Rare Earth Magnet Growth Curve

What is driving the global rare earth magnetics demand today? What will drive it tomorrow?



***Market opportunity:**

- 340,000mt converted US dollar value, at ca. $60/kg assumption, equals ca. $20 billion market opportunity

Fast-growing dominant demand drivers:

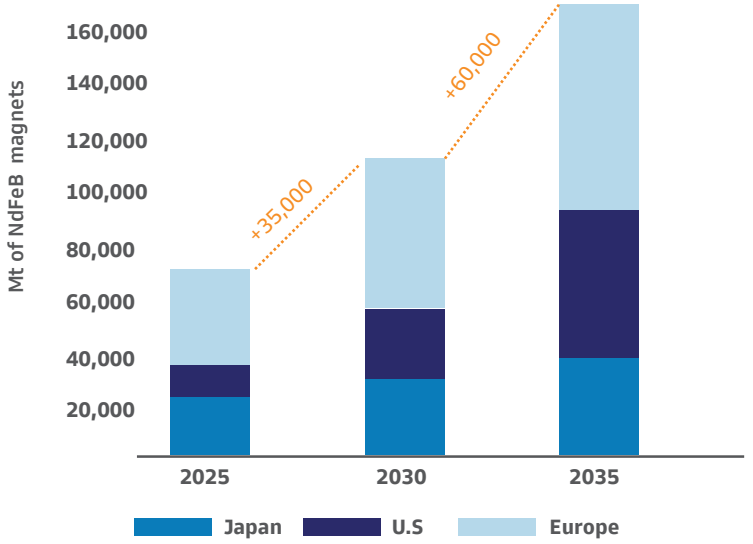
- Passenger EVs
- Commercial EVs
- Other E-Mobility
- Wind Power Generators

Dominant growth drivers:

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

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

Europe is ahead of other jurisdictions in its demand, as an outside of China product manufacturing location



Source: Adamas Intelligence and Management Estimates

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

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

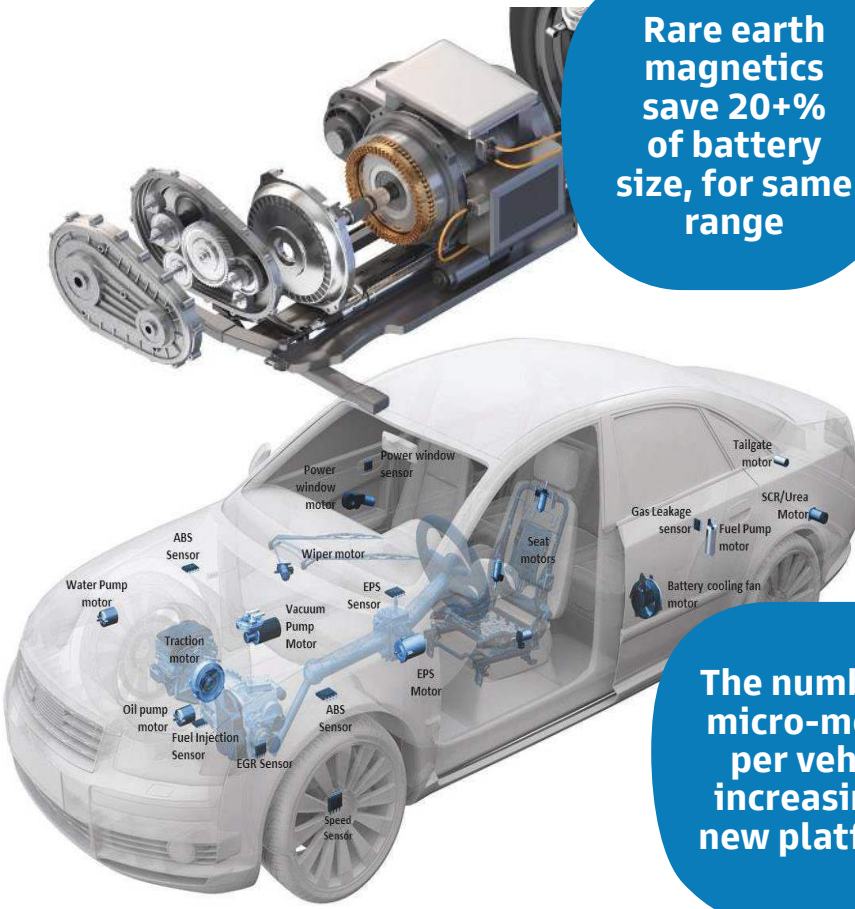
Brushless DC (BLDC) Motors

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

The number of micro-motors per vehicle increasing in new platforms

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

Neo's Position in Parallel and Integrated Supply Chain

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

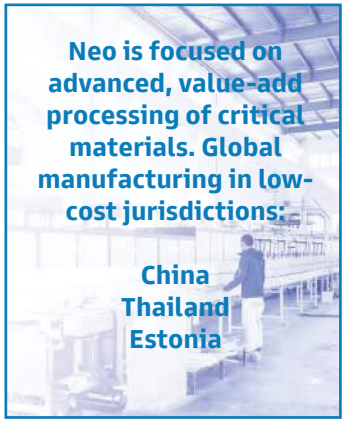
Upstream	Rare Earths Miners	Rare Metals Miners	End-of-Life & Scrap Sources
Midstream neo	**Light** Rare Earths Separation	**Heavy** Rare Earths Separation	Metal making JVs for magnetic materials
Downstream: Advanced Materials neo	Rare Earth Magnetic Powders	Rare Earth Magnetic Oxides	High-purity Hafnium
	Rare Earth Bonded Magnets	MLCC Powders	High-purity Gallium
	Rare Earth Sintered Magnets	Rare Earth Specialty Oxides	Niobium Metal
		Emissions Control Catalyst Oxides	Tantalum Metal

3rd party sources

Customers

GRUNDFOS, brose, PCC, Allegheny Technologies, SAMSUNG ELECTRONICS, LG, dyson, BOSCH, DAIDO, SIEMENS, umicore, LUMILEDS, Shin-Etsu, win SEMICONDUCTORS, Panasonic, SUMITOMO ELECTRIC, Freiberger, BASF We create chemistry, PLANSEE, muRata INNOVATOR IN ELECTRONICS

Global engineering centres at talent hubs: Singapore, UK, Estonia, Canada. Global sales offices that speak 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

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Focus on Rare Earth EV Magnetics Growth outside of China

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**

40M EV	1.5KG/EV	$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:
(Conservative base case)

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 manfucaturer** for ⅓ capacity of Phase 1
- In-house **metal-making**
- **Expedited EV platform qualification** program based on Magnequench's three decades 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**

Co-funded by the European Union

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

** Bank of America, Nov 2023*

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

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

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 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

金力永磁 JLMAG

韵升集团 YUNSHENG GROUP

正海磁材 ZHmag

中科三环 ZHONG KE SAN HUAN

天和磁材 TIANHE MAGNETICS

金龙稀土 GOLDEN DRAGON RARE-EARTH

大地熊 Earth-Panda

YSM

Shin-Etsu

STAR GROUP

DAIDO

PROTERIAL

TDK

neo Performance Materials

GKN AUTOMOTIVE

MP MATERIALS

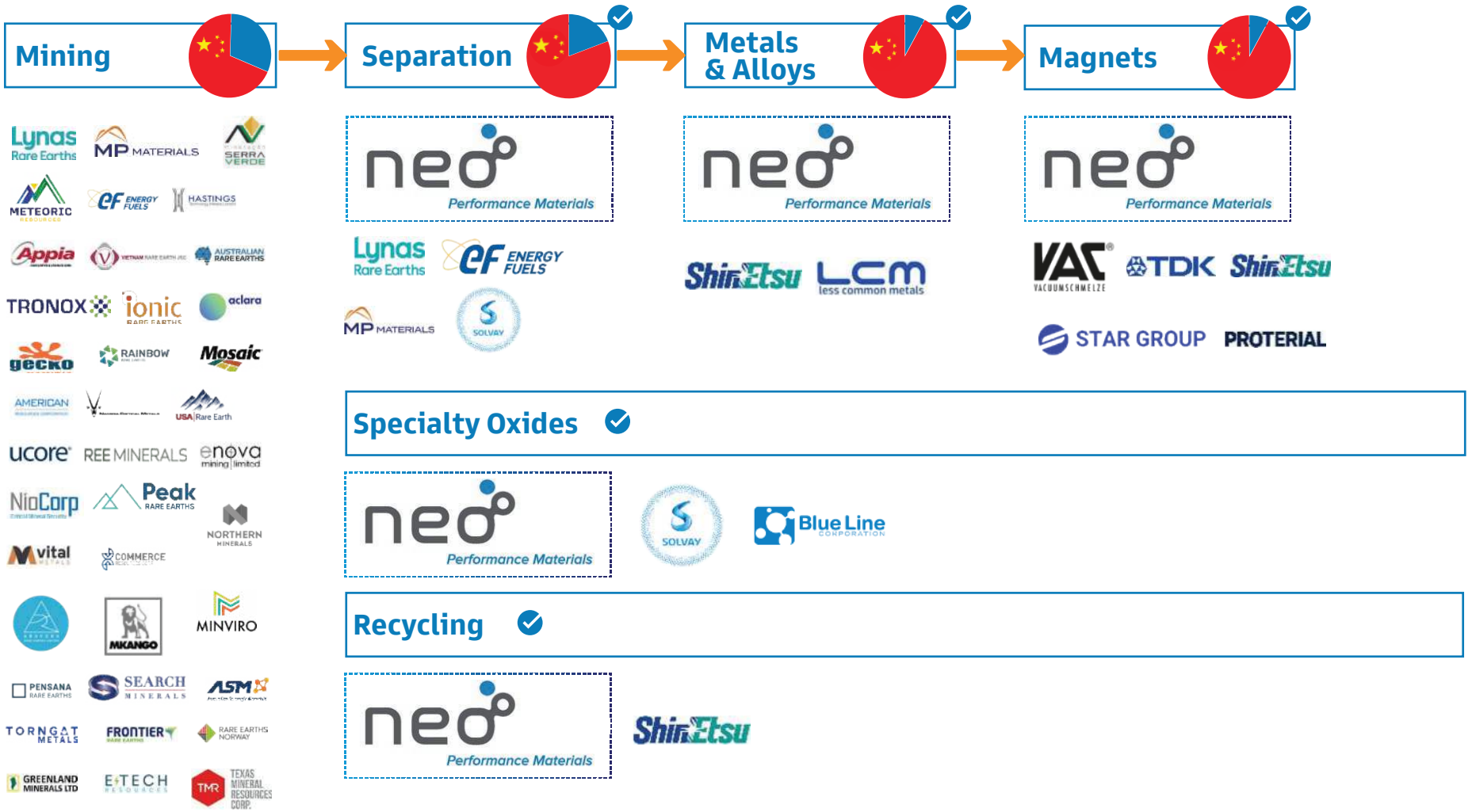
VAC VACUUMSCHMELZE

NOVEON MAGNETICS

2035 competitor landscape for EV magnets sold outside of China.

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:



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 Magnets Without Heavy Rare Earths

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

HONDA DAIDO STEEL

Complex Motor-Magnet Design Customer Case:

Ultra-High-Speed Motor, major cost savings innovation

Confidential Customer ($8 billion Motor OEM)

Motor Magnet Design Challenge:

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

Neo Magnequench's Unique Solution:

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

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

neo
Performance Materials

Business Units in Focus

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, ZF, gm general motors, dyson, CATERPILLAR®, Sensata Technologies, BorgWarner, Ford

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

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

Business Unit Focus: Chemicals & Oxides

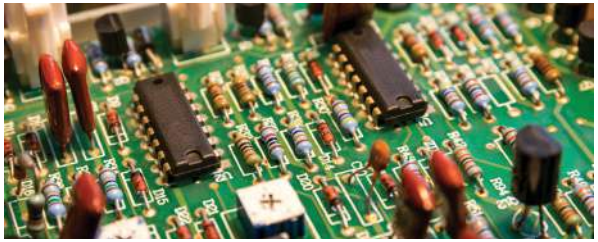
Critical midstream assets and know-how that supplies our magnet business with oxides and commercialized specialty chemicals for environmental and microelectronic applications.

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

Neo has the most strategic technical and product development know-how in rare earths.

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 productions of critical materials **for microelectronics** and **aerospace industry.**
- Over 30 years of experience in **extractive metallurgy,** and in **development** and **manufacturing** of customized engineered materials.

Industries Depending on our RM Products

Aerospace

5G

Medical Imaging

Space Exploration

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

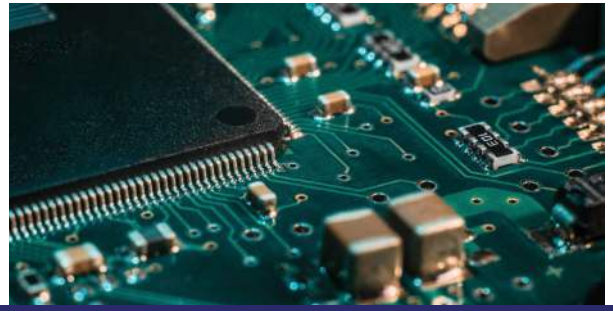
Operating Facility

- **Location:** Ontario (Canada)
- **Feedstock:** all recycled sources of GaAs crystal wafers and sludge, and GaN crystal scrap
- **Products:** Ga metal at 6-8N purities, Ga_2O_3

Proprietary Recycling Technology

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

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 global gallium supply and recycles 25+% of global gallium-containing scrap.*

*Source: *Management estimates from customer discussions.*

neo
Performance Materials

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	
US$ 000s (excl. EPS)	**Q2 2024**	Q2 2023	**YTD 2024**	YTD 2023
Revenue	$107,549	$170,430	$229,644	$305,960
Adjusted EBITDA	$13,392	$19,548	$24,152	$20,335
Adjusted net income (loss)	$5,251	$2,465	$5,644	($6,516)
Adjusted EPS	$0.13	$0.05	$0.14	($0.14)

Cash Flow Statement Selected Data

	Quarter Comparison	
US$ 000s	**June 30, 2024**	Dec. 31, 2023
Cash (including restricted)	$100,536	$90,252
Inventory	$163,946	$197,453
Debt	($49,454)	($25,331)

Balance Sheet Selected Data

	Q-over-Q Comparison		Year-over-Year Comparison	
US$ 000s	**Q2 2024**	Q2 2023	**YTD 2024**	YTD 2023
Cash Tax Paid	$5,790	$2,772	$13,303	$8,033
Sustaining CapEx	$3,312	$2,629	$4,994	$5,456
CapEx for Projects	$15,259	$4,191	$31,054	$6,380

Shareholder Related Selected Data

	Q-over-Q Comparison		Year-over-Year Comparison	
US$ 000s (excl. EPS)	**Q2 2024**	Q2 2023	**YTD 2024**	YTD 2023
Dividends Paid to Shareholders	$3,127	$3,343	$6,211	$6,722
Dividend per common share	$0.10	$0.10	$0.10	$0.10
Repurchase of common shares under NCIB	$0	$1,202	$2,250	$1,202

Downstream margins driving growth as we continue to simplify business.

Financial Performance by Business Unit

Magnequench

US$ 000s (excl. volume)	Q-over-Q Comparison Q2 2024	Q2 2023	Year-over-Year Comparison YTD 2024	YTD 2023
Volume (tonnes)	1,190	1,037	2,403	2,024
Revenue	$42,096	$49,329	$87,576	$104,494
Operating income	$2,257	$1,077	$5,641	$2,032
Adjusted EBITDA	$6,168	$5,274	$12,280	$8,530

Quarter Highlights:

- Volumes up due to recovery in magnetic powder for traction motor applications and growth in magnet volumes
- Continued headwinds in select magnetic powder end-markets including circulation pumps and electric power steering
- Magnet plant construction in Europe remains on schedule and on budget with building structure complete and all critical equipment ordered

Chemicals & Oxides

US$ 000s (excl. volume)	Q-over-Q Comparison Q2 2024	Q2 2023	Year-over-Year Comparison YTD 2024	YTD 2023
Revenue	$34,478	$71,276	$74,991	$122,565
Operating income (loss)	$198	$1,524	($1,906)	($4,602)
Adjusted EBITDA	$2,651	$2,913	$2,271	($1,649)

Quarter Highlights:

- Rare earth price declines continue to drive margins pressure with C&O separation delivering negative $2.6M gross margin in 1H'24
- ZAMR light rare earth separation facility closed in 2Q'24; expected to improve return on capital and reduce earnings volatility
- Emissions catalyst business effectively executing construction and commissioning of NAMCO relocation project. Expected to finish under budget and reach full production in 1H'25.

Rare Metals

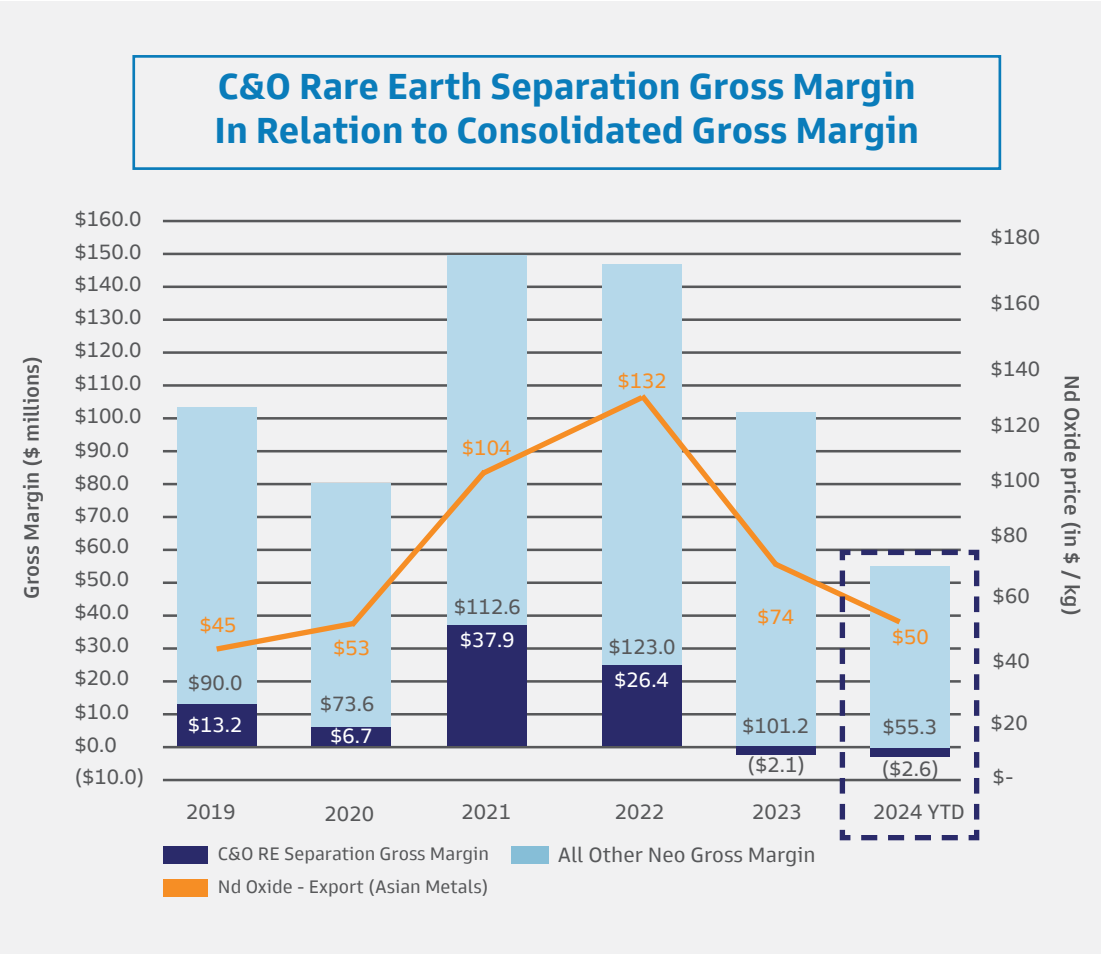
US$ 000s (excl. volume)	Q-over-Q Comparison Q2 2024	Q2 2023	Year-over-Year Comparison YTD 2024	YTD 2023
Revenue	$31,909	$49,825	$69,187	$78,901
Operating income	$8,573	$16,686	$17,373	$22,518
Adjusted EBITDA	$8,786	$16,950	$18,024	$23,114

Quarter Highlights:

- All Rare Metals' facilities performing well; strength in hafnium continuing to be the largest contributor to margins
- 2Q'24 margins slightly ahead of expectations but below prior year due to abnormal level of hafnium spot sales in prior year
- Niobium business delivering substantial improvements in financial performance with closure of hydrometallurgical processing in 4Q'23

Impact of Rare Earth Pricing on Gross Margins

- Volatility in rare earth prices can negatively or positively impact gross margins due 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 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 2Q'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

Site commissioning 2H'24; run-rate production in 1H'25

$46.4M
*Capitalized to date**

$23.6M
*Remaining Capital**

$5.0M
Budget Savings

Rare Earth Magnet Plant in Europe

Advanced stages of construction; site commissioning in 2025

$24.9M
*Capitalized to date**

$50.1M
*Remaining Capital**

$1.2M
JTF Grant Received

Source of Cash

Cash On Hand

$101M

Some of this cash, approx. $40M, would be needed to fund regular operations

Incremental Debt

$25-$75M

$25M for NAMCO plus anticipated debt for the rare earth magnet plant in Europe.

Just Transition Fund ("JTF") Grant

$12-15M

Secured funding from EU Commission for eligible project costs of rare earth magnet plant in Europe.

Cash from Operation

Balance

Continued strength in CFOA through strong working capital management. Estimated working capital benefits in 2024 of $30-50 million.

** Capitalized as of June 30, 2024*

Changes in Operating Strategy & Asset Base

Shutdown of Light Rare Earth Separation in Zibo, China

Discontinuing Solvent Extraction Operations expected to improve ROCE and reduce Earnings Volatility

- Neo shutdown the solvent extraction line at its legacy Zibo facility in China and will shift the manufacturing of value-add specialty products to its new enviromental emissions catalyst facility (NAMCO) and Europe.
- Neo is focused on shifting focus to high margin in downstream verticals and is taking steps to protect against exposure to underlying rare earth price volatility.
- The closure does not affect downstream specialty product manufacturing while improving return on capital employed and earnings volatility.
- Closure not expected to have an adverse impact to 2024 Adjusted EBITDA outlook and is expected to generate additional Net Cash.

Hydromet Shutdown & Operational Transformation in Estonia

Rare Metals midstream facility in Europe halted hydrometallurgical processing of niobium- and tantalum-bearing ore

- Since December 2023, Neo's Rare Metals midstream facility in Estonia, Europe has updated manufacturing processing of niobium and tantalum to improve business performance by halting hydrometallurgical processing.
- Since the shift, future products have been derived from oxides and recycled materials. This has lead to sourcing agreements for these reduced environmental footprint input materials.
- The halting of this process has led to reduced working capital requirements, increase supplier base and simplified process.
- Focus now shifted on operational improvements and opportunities for higher value sales
- Expecting reduced inventories by the end of the year.

neo Performance Materials

Governance & Management

Sustainability in our Products

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

CO_2-e Abatement via EVs

Empower the annual abatement of half gigaton CO_2-e with 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 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.

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

Jeff Hogan*
EVP for C&O

- 24 years of manufacturing, sales & general management at Neo's rare earth separations and specialty chemicals division

Greg Kroll
EVP for MQ

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

Mohamad El-Mahmoud**
EVP for RM

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

Ali Mahdavi
SVP Corp. Dev. & Capital Markets

- 30 years of capital markets experience
- 20+ years leading investor relations for Neo

**Retiring on September 30, 2024*

*** Assuming responsibility for C&O, in addition to RM, from October 1, 2024*

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 by current & former senior executives, with backgrounds in law, government, accounting, finance, material science, and rare earth industry management.

Claire Kennedy
Chair of Board

- Former senior partner at major Canadian law firm
- 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

Corporate Headquarters

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