



neo<sup>o</sup>

*Performance Materials*

## Initial Public Offering

November 9, 2017

A preliminary prospectus and an amended and restated preliminary prospectus containing important information relating to the securities described in this document have been filed with the securities regulatory authorities in each of the provinces and territories of Canada. A copy of the preliminary prospectus, and any amendment, is required to be delivered with this document. The amended and restated preliminary prospectus is still subject to completion. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary prospectus, the final prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

## Presenters



**Geoff Bedford**

*President and  
Chief Executive Officer*



**Rahim Suleman**

*Executive Vice President  
and Chief Financial Officer*



**Kevin Morris**

*Executive Vice President  
and Chief Operating Officer*

## Today's Agenda

- Business Overview
- Investment Highlights
- Growth Strategy
- Summary of the Offering
- Appendix

# Disclaimers

## General

Prospective investors should rely only on the information contained in the preliminary prospectus dated October 17, 2017 (the "prospectus") and, if applicable, the related U.S. placement memorandum. This Presentation is qualified in its entirety by reference to, and must be read in conjunction with, the information contained in the prospectus. A prospective investor is not entitled to rely on parts of the information contained in this Presentation to the exclusion of others. Neo Performance Materials Inc. (the "Company", "we" or "us"), Neo Cayman Holdings Ltd. ("Neo Cayman"), the Selling Shareholder and the Underwriters have not authorized anyone to provide prospective investors with additional or different information. The Company, the Selling Shareholder and the Underwriters are not offering to sell Offered Shares in any jurisdiction where the offer or sale of such securities is not permitted.

For prospective purchasers outside Canada, neither we, the Selling Shareholder nor any of the Underwriters has done anything that would permit this offering or possession or distribution of the prospectus in any jurisdiction where action for that purpose is required, other than in Canada. Prospective investors are required to inform themselves about, and to observe any restrictions relating to, this offering and the possession or distribution of the prospectus.

The securities described in this presentation have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered, sold or delivered in the United States unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration requirements is available.

Under no circumstances is this presentation or the information contained herein to be construed as a prospectus, offering memorandum or advertisement, and neither any part of this written or oral presentation nor any information or statement contained herein or therein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

In this Presentation, all amounts are in millions of United States dollars, unless otherwise indicated. All capitalized terms used but not defined in this Presentation shall have the meaning ascribed to them in the prospectus. Any graphs, tables or other information in this Presentation demonstrating the historical performance of the Company, Neo Cayman, their predecessor entities or any other entity contained in this Presentation are intended only to illustrate past performance of such entities and are not necessarily indicative of future performance of the Company or such entities.

## 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 the Company. All statements other than statements of historical fact are forward-looking information. 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. The Company 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 Presentation should not be unduly relied upon. This information speaks only as of the date of this Presentation.

Forward-looking information and statements are based on our current opinions, assumptions, estimates, expectations and projections about future events and financial trends in light of the experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate and reasonable in the circumstances. Although we believe that the assumptions underlying these statements are reasonable, we caution investors that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity and the development of the industry in which we operate may differ materially from statements made in or suggested by the forward-looking statements contained in this Presentation. For further details on the forward-looking information included in this Presentation, see "*Forward-Looking Information*" and "*Management's Discussion and Analysis*" in the prospectus.

Given these risks, uncertainties and assumptions, prospective purchasers of Offered Shares should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to our expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including the following: : there being no public market for securities of the Company; the volatility of the price of the Common Shares; the dividend policy of the Company; financial reporting and other public company requirements; forward-looking information; having a significant shareholder; future sales of Common Shares; dilution; quarterly operating results varying from quarter to quarter; board discretion; analyst reports; international operations; currency risk; expiry of joint venture agreements; changes in China's regulation of the rare earths industry; intellectual property; customer dependence; general economic conditions; competition; uncertainty regarding Chinese withholding tax and indirect transfers of Chinese enterprises by non-Chinese residents; environmental liability exposure; supplies of raw materials; fluctuations in demand for, and prices of rare earth products; product recalls; rapid technological change; risks of operations and insurance; changes in tax laws; additional financing requirements; failure to manage the Company's growth effectively; potential for incurring unexpected costs or liabilities as a result of acquisitions; dependence on good relations with employees; reliance on key personnel; information technology and cybersecurity.

These factors should not be considered exhaustive and should be read with the other cautionary statements in the prospectus.

There is currently no market through which the Offered Shares may be sold and, if a market for the Offered Shares does not develop or is not sustained, purchasers may not be able to resell Offered Shares purchased pursuant to the Offering. This may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Common Shares and the extent of issuer regulation. An investment in Offered Shares is subject to a number of risks that should be considered by a prospective purchaser. Prospective purchasers should carefully consider the risk factors described above and those under "Risk Factors" in the prospectus before purchasing Offered Shares.

All of the forward-looking information contained in this Presentation is expressly qualified by the foregoing cautionary statements. Investors should read the entire prospectus and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of their investment in Shares.

Information contained in forward-looking statements in this Presentation is provided as of the date hereof and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information or future events or results, except to the extent required by applicable securities laws.

## Non-IFRS Measures

This Presentation makes reference to certain non-IFRS financial measures. 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 Cayman's and its predecessor's results of operations from management's perspective. Neo Cayman'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. Non-IFRS measures have limitations as analytical tools and should not be considered in isolation nor as a substitute for analysis of Neo Cayman's financial information reported under IFRS. Neo Cayman uses non-IFRS financial measures, including "Adjusted Net Income or Loss", "Adjusted EBITDA", "Adjusted EBITDA Margin", "Cash Generated from Operating Activities excluding Reorganization activities", "Free Cash Flow", "Free Cash Flow Conversion" and "EBITDA" 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. The Company believes that securities analysts, investors and other interested parties frequently use non-IFRS financial measures in the evaluation of issuers. The Company's management also uses non-IFRS financial measures in order to facilitate operating performance comparisons from period to period. See "*Non-IFRS Measures*" and "*Management's Discussion and Analysis — Non-IFRS Measures*" in the prospectus.



## Business Overview

# Company Overview



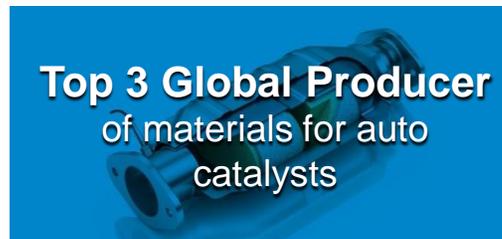
Global Leader Involved in the Innovation, Development, Processing and Manufacturing of Rare Earth- and Rare Metal-Based Functional Materials



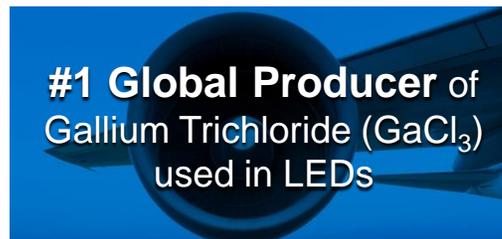
Designs, develops and produces rare earth magnetic powders for bonded and hot deformed NdFeB magnets



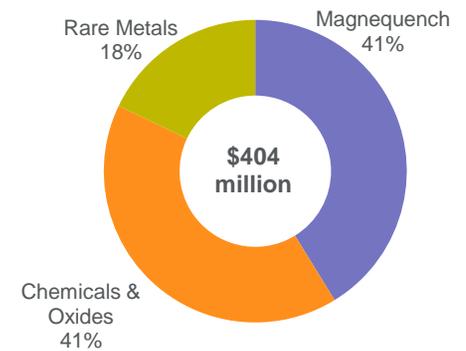
Designs, develops and produces rare earth-based functional engineered materials



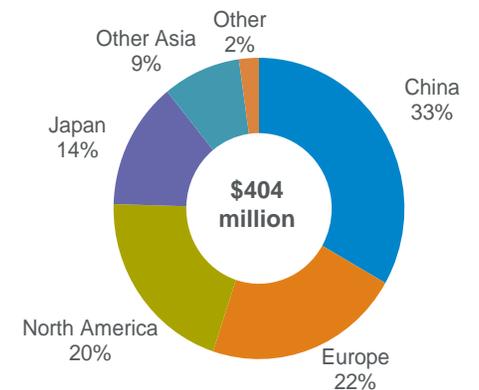
Produces, reclaims, refines and markets high-value rare metals and their compounds



LTM Revenue by Segment<sup>1</sup>



LTM Revenue by Geography

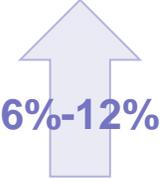
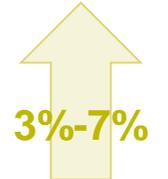


Note: LTM figures as of June 30, 2017

1. Percentages shown before inter-segment revenue eliminations

# End Product Applications

- The functionality that rare earths and rare metals provide includes: magnetic, catalytic, luminescence, electrochemical, thermal stability and superconductivity

Major Applications				Industry Growth <sup>1</sup>	
 <p>neo Magnequench (41% LTM Revenue)</p>	 <p>High Efficiency Motors</p>	 <p>Hybrid / Electric Vehicles</p>	 <p>Hard Disk Drives</p>	 <p>Automation</p>	 <p>6%-12%</p>
 <p>neo Chemicals &amp; Oxides (41% LTM Revenue)</p>	 <p>Auto Catalysts</p>	 <p>Multi-layer Ceramic Capacitors</p>	 <p>Wastewater Treatment</p>	 <p>High Precision Optics</p>	 <p>4%-10%</p>
 <p>neo Rare Metals (18% LTM Revenue)</p>	 <p>Aerospace Applications</p>	 <p>Medical Imaging Systems</p>	 <p>High Efficiency Lighting</p>	 <p>Mobile Communication</p>	 <p>3%-7%</p>

Rare earths and rare metals are critical to applications used in every day life

Note: LTM figures as of June 30, 2017

1. Source: Management estimate

# Evolution of Applications using Neo's Products

- Cathode ray lighting (used in TVs) was phosphor-based and required the use of rare earths...



- Replaced by fluorescent lighting applications, also phosphor-based requiring rare earths...

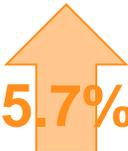
- Fluorescent lighting in turn replaced with LEDs, which require  $\text{GaCl}_3$ ...



*Continued reliance on Neo's products even as applications evolve...*

**New applications continue to require Neo's products due to the essential functionality they provide**

# Industry Overview

	Overview	Growth CAGR
<p><b>Permanent Rare Earth Magnet Industry</b></p>	<ul style="list-style-type: none"> <li>Two important classes of permanent magnets:               <ul style="list-style-type: none"> <li>Ferrite (iron-based)</li> <li>Neodymium-iron-boron ("NdFeB") (rare-earth based), which includes sintered, bonded and hot deformed</li> </ul> </li> <li>Bonded magnet demand is expected to grow as they are better suited for precision motors, sensors and actuators used in automotive, consumer electronic and robotic applications that require small or complex shapes</li> </ul>	<p> <b>10.1%</b> 2016-2021</p> <p>Roskill - Global demand for REO in permanent magnets</p>
<p><b>Catalyst Industry</b></p>	<ul style="list-style-type: none"> <li>Products engineered from REOs are used in the production of automotive emission-control catalysts</li> <li>Developing auto catalyst applications requires close collaboration with customers and long lead times, providing a barrier for new entrants</li> <li>Tightening global air emission standards are a large key driver of growth</li> </ul>	<p> <b>7.8%</b> 2015-2020</p> <p>Umicore - Market growth for complex auto catalysts</p>
<p><b>Rare Earth Separation</b></p>	<ul style="list-style-type: none"> <li>REEs and rare metals are indispensable inputs for many applications given their unique properties which include magnetic, catalytic, luminescence, electrochemical, thermal stability and superconductivity</li> <li>REE deposits are found predominantly in China, which currently supplies ~87% of the global market</li> </ul>	<p> <b>5.7%</b> 2016-2021</p> <p>Roskill – Global demand for separated REOs</p>
<p><b>Rare Metals</b></p>	<ul style="list-style-type: none"> <li>Rare metals provide functional benefits such as mechanical strength, resistance to thermal creep deformation, corrosion and oxidation and strong surface stability</li> <li>Typically include tantalum, niobium, gallium, hafnium, rhenium, indium, germanium, manganese, tellurium, lithium and cobalt</li> </ul>	<p></p> <p>Growth from many applications (aerospace, LEDs, etc.)</p>

**Positive industry fundamentals drive growth**

# Company History

## NEM (1994 – 2012)

### Processor of Rare Earths

- 1994: Began separating rare earths in China
- 1995: Listed on the TSX
- 2005: Acquisition of Magnequench, which had been designing and manufacturing magnetic powder since 1985
- 2012: Acquired by Molycorp for \$1.3 billion

- Exposure to commodity price cycles



## Neo Performance (2017+)

### Innovator of Advanced Functional Materials

- 2017: Initial Public Offering
- Downstream focus with growing end markets
- Adapt with ever changing technologies and applications
- Commercialization of recently developed products such as wastewater treatment
- Capitalize on fast growing markets and exposure to key trends, including:
  - Electrification of automobiles
  - Increasingly stringent emission standards
  - Growth in automation and others



## Under Molycorp (2012 – 2016)

### Manufacturer of Functional Materials

- 2015: Molycorp filed for Chapter 11 in U.S.
- 2015: Launched wastewater treatment phosphate removal business
- 2015: Commercialized MQU program
- 2016: Emerged from Molycorp bankruptcy as a much stronger entity, with all original NEM assets plus Molycorp's Estonia plant
- Pass through costs with value-add products
- > 20% of revenue from products that did not exist 5 years ago
- Neo business remained profitable through Molycorp bankruptcy



Neo consistently generated positive cash flow throughout its history, demonstrating its financial resilience and attractive value proposition as an advanced engineering products company



## Investment Highlights

# Investment Highlights



Performance Materials

1

Global Leader  
in Growing  
Specialty Markets

2

Growing End  
Markets with  
Exposure to Key  
Growth Trends

3

Unique Global  
Infrastructure  
Platform with  
State-of-the-Art  
R&D Capabilities

4

Longstanding  
Relationships  
with Leading  
Global Customer  
Base

5

Strong  
Profitability,  
Cash Flow and  
Financial Position

57	58	59	60	61	62	63	64	65	66	67	68	69	70	71
La	Ce	Pr	Nd	Pm	Sm	Eu	Gd	Tb	Dy	Ho	Er	Tm	Yb	Lu
Lanthanum 138.905	Cerium 140.116	Praseodymium 140.908	Neodymium 144.243	Promethium 144.913	Samarium 150.36	Europium 151.964	Gadolinium 157.25	Terbium 158.925	Dysprosium 162.500	Holmium 164.930	Erbium 167.259	Thulium 168.934	Ytterbium 173.055	Lutetium 174.967

6

Proven Management Team with Exceptional Track Record

Unique combination of these competitive advantages make Neo's business difficult to replicate

# 1 Global Leader in Growing Specialty Markets

## Bonded Magnetic Powders

- 30+ years of experience developing high-performance rare earth magnetic powders for NdFeB bonded magnets used in motors, sensors and actuators for consumer electronics and automotive applications
- Global leader with 70-75% market share; serves as market benchmark and pioneer in technology and quality



**#1 Global Market Leader**  
of powders for bonded and  
hot deformed magnets

## Automotive Catalysts

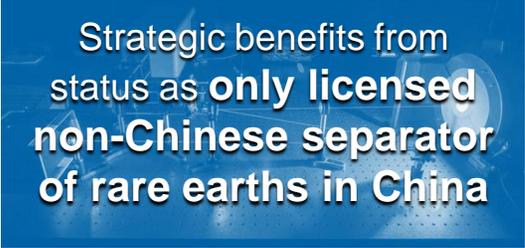
- Top three global supplier to auto catalyst end markets
- Expertise in working with its customers to meet ever tightening emission standards by engineering more advanced formulations
- Qualified supplier for all leading producers of auto catalysts who supply all of the leading global OEMs



**Top 3 Global Producer**  
of materials for auto catalysts

## Rare Earth Separation

- Pioneer in processing, developing and manufacturing functional material for a diverse range of applications
- Only non-Chinese company with a license to separate rare earths in China
- Vertical integration improves quality and reduces overall costs; also acts as a launchpad for new uses and applications



Strategic benefits from  
status as **only licensed**  
**non-Chinese separator**  
of rare earths in China

## Specialty Alloys and Rare Metals

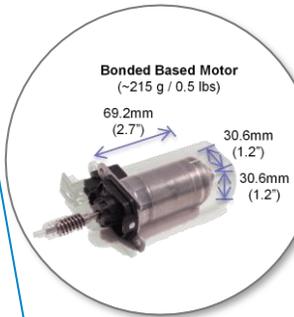
- Leading global producer of advanced engineered materials made from rare metals
- #1 global producer of GaCl<sub>3</sub>



**#1 Global Producer** of  
GaCl<sub>3</sub> used in LEDs

Leading market positions in key specialty markets with high barriers to entry

## 2 Growing End Markets with Exposure to Key Growth Trends

 <p><b>Bonded Based Motor</b> (~215 g / 0.5 lbs) 69.2mm (2.7) 30.6mm (1.2) 30.6mm (1.2)</p> <p><b>Electrification of Automobiles</b></p>	 <p><b>Global Adoption of Increasingly Stringent Air and Water Emission Standards</b></p>	 <p><b>Consumer Demand for Lighter, Smaller, Smarter Electronic Devices</b></p>	 <p><b>Growth in Automation</b></p>	 <p><b>Rising Demand for Superalloys</b></p>
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Hybrid / Electric Vehicles



High Quality Auto Catalysts  
Phosphate Removal from Water



Consumer Electronics



Robotics  
Autonomous Vehicles  
Cloud Computing



Aerospace Applications

**Key trends support growing demand for Neo's products**

# 3 Unique Global Infrastructure with State-of-the-Art R&D Capabilities

## Leading R&D Capabilities

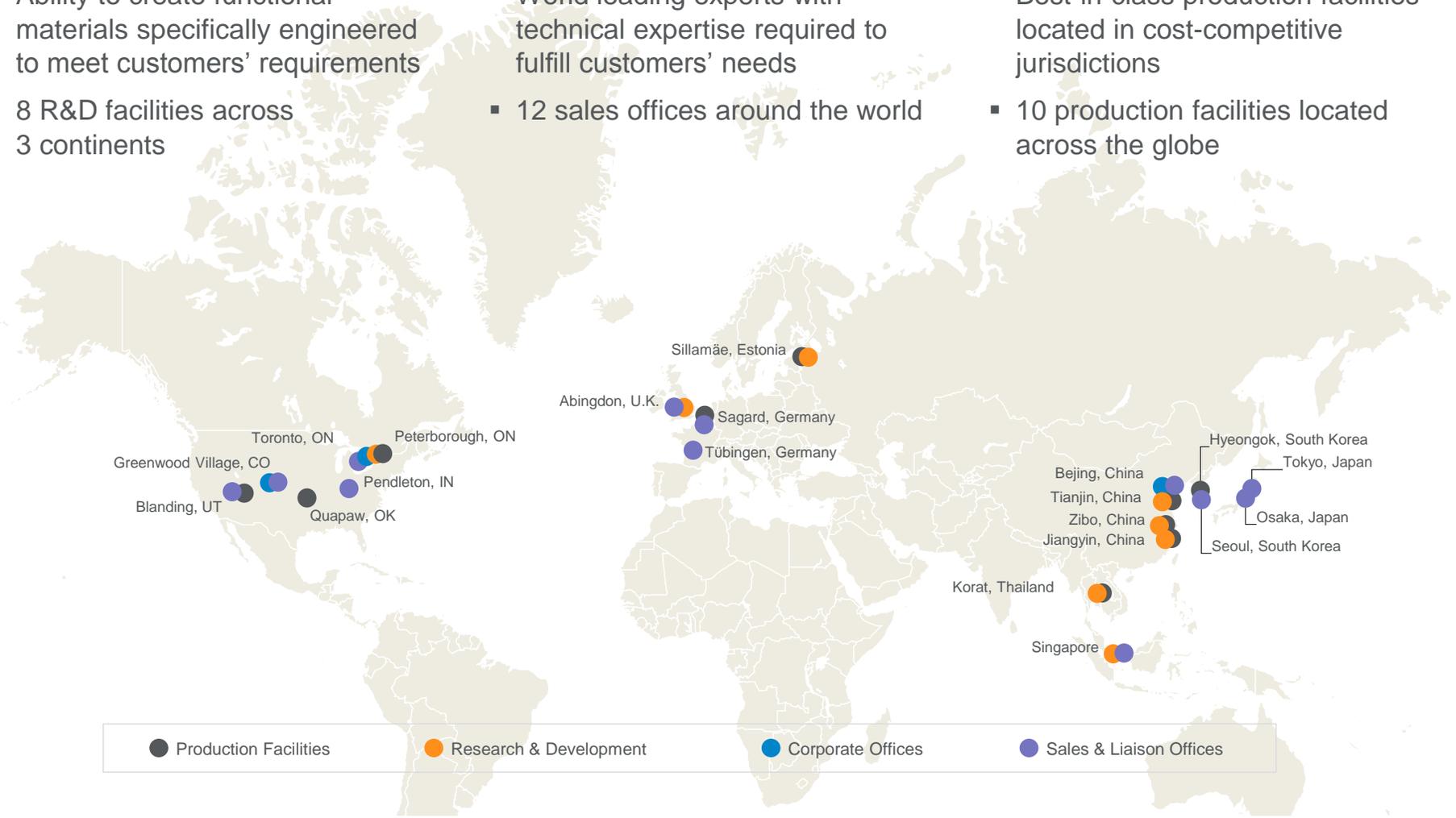
- Ability to create functional materials specifically engineered to meet customers' requirements
- 8 R&D facilities across 3 continents

## Global Sales Force

- World leading experts with technical expertise required to fulfill customers' needs
- 12 sales offices around the world

## Cost-Competitive Manufacturing

- Best-in-class production facilities located in cost-competitive jurisdictions
- 10 production facilities located across the globe



Leading global infrastructure provide Neo with a unique competitive advantage in the industry

## 4 Longstanding Relationships with Leading Global Customer Base

- Balanced customer base is well-diversified and includes large industrial, consumer electronics and chemical processing companies
- Significant portion of revenue contribution from customers who have been with Neo for 10+ years
- Provides significant value to its customers by being embedded within their supply chain and co-developing advanced, functional materials engineered to their needs
  - For example, Neo's work in partnership with Daido and Honda led to the commercialization of HREE-free traction motors used in hybrid and electric vehicles, now an exciting new platform for future growth

### Representative Longstanding Customers

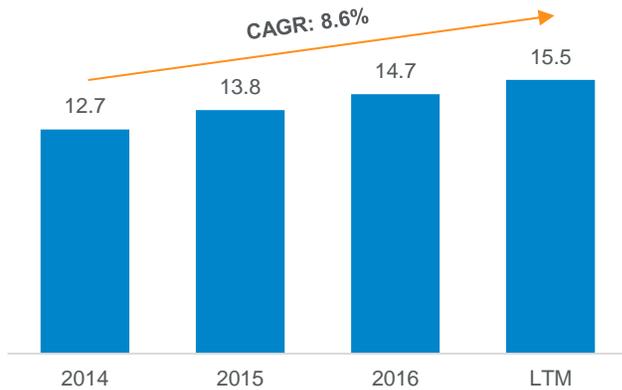


Market leading customer base with longstanding relationships

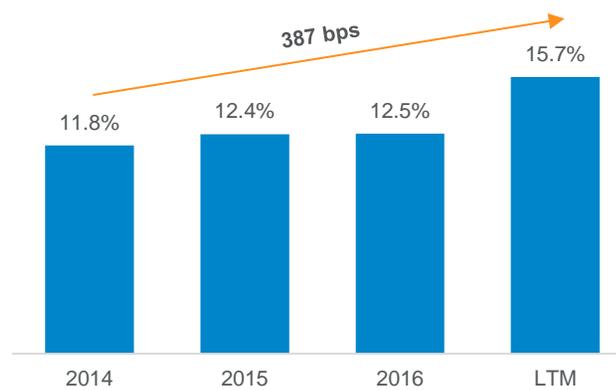
# 5a Strong Profitability, Cash Flow and Financial Position

## Consistent Volume Growth

mT (000s)



## Significant Adjusted EBITDA Margin Expansion



## Highlights

Dividend   
 ~38% payout ratio

Strong Cash Position

No Debt

Scalability

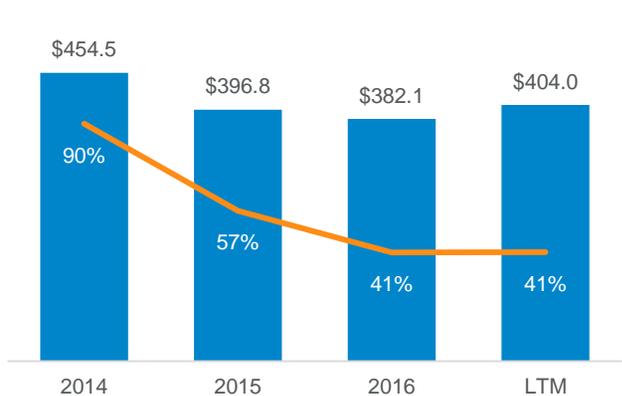
Low Capex   
 \$8-\$15M

Strong FCF Conversion   
 86.9%

Low Commodity Exposure

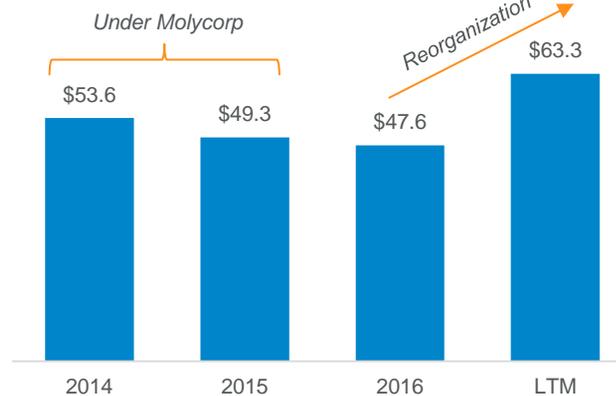
## Stable, Resilient Business with Low Commodity Price Exposure

Revenue in US\$ millions | Indexed rare earth prices<sup>1</sup>



## Meaningful Growth in Adjusted EBITDA Post-Reorganization

US\$ millions



**Track record of consistent profitable growth with current cash balance of \$88 million and no debt**

Note: LTM figures as of June 30, 2017

1. Average of rare earth prices calculated monthly and indexed to 100% as of January 1, 2014

# 5b Recent Developments – Q3 2017

## Summary Financial Performance

## Commentary

(US\$ millions, volume in mT)	Q3 2017	Q3 2016	Variance	
			Amount	%
<b>Volume</b>				
Magnequench	1,681	1,369	312	22.8%
Chemicals & Oxides	2,265	2,140	125	5.8%
Rare Metals	102	91	11	12.1%
Eliminations	(92)	(120)	28	n.m.
<b>Total volume</b>	<b>3,956</b>	<b>3,480</b>	<b>476</b>	<b>13.7%</b>
<b>Revenue</b>				
Magnequench	\$54	\$41	\$13	31.9%
Chemicals & Oxides	\$50	\$40	\$10	24.3%
Rare Metals	\$17	\$18	(\$1)	(4.2%)
Eliminations	(\$5)	(\$4)	(\$1)	n.m.
<b>Total revenue</b>	<b>\$116</b>	<b>\$95</b>	<b>\$21</b>	
Operating income <sup>1</sup>	\$10.5 - \$11.5	\$10.0	\$0.5 - \$1.5	
<b>Adjusted EBITDA</b>	<b>\$16.0 - \$17.0</b>	<b>\$14.1</b>	<b>\$1.9 - \$2.9</b>	
<b>Q3 LTM Adjusted EBITDA</b>	<b>\$65.2 - \$66.2</b>			
Consolidated cash	\$113	\$89	\$24	
Less: Pre-Offering dividend	(\$25)			
<b>Pro forma cash</b>	<b>\$88</b>			

- Rare earth commodity prices rose significantly during July and August leading to increased volumes purchased by Magnequench customers
- In Rare Earth Separation, Neo was able to realize higher margin due to low inventory cost levels
- Auto catalyst volumes, within Chemicals & Oxides, were lower than previous levels due to the recent change in environmental standards affecting the ZAMR facility
  - Neo continues to anticipate returning to full capacity (with an updated water treatment system) in place by the end of 2017

<sup>1</sup> Q3 2016 includes the add-back for the step-up in inventory value acquired upon the adoption of Business Combinations

# 6 Proven Management Team with Exceptional Track Record



**Geoff Bedford**  
*President & CEO*

- 18 years of experience at Neo<sup>1</sup>
- President, CEO and board member since 2013



**Rahim Suleman**  
*EVP & CFO*

- EVP and CFO since 2017
- Former CFO of Stackpole International



**Kevin Morris**  
*EVP & COO*

- 6 years of experience at Neo<sup>1</sup>
- EVP and COO since 2016



**Constantine Karayannopoulos**  
*Chairman*

- 23 years of experience at Neo<sup>1</sup>
- Served as President and CEO of both Molycorp and Neo before being acquired by Molycorp



**Shannon Song**  
*EVP Magnequench*

- 19 years of experience at Neo<sup>1</sup>
- EVP Magnequench since 2005



**Jeffrey Hogan**  
*EVP Chemicals & Oxides*

- 18 years of experience at Neo<sup>1</sup>
- EVP Chemicals & Oxides since 2016



**Frank Timmerman**  
*SVP Rare Metals*

- 12 years of experience at Neo<sup>1</sup>
- SVP Rare Metals since 2012

## Additional Board Members<sup>2</sup>

**Eric Noyrez** (Independent)

**Claire Kennedy** (Independent)

**Nicholas Basso** (Oaktree)

**Brook Hinchman** (Oaktree)

**Aman Kumar** (Oaktree)

**Edgar Lee** (Oaktree)

**Emily Stephens** (Oaktree)

**Industry leaders with the expertise to deliver results, based on a combined 200+ years of experience**

1. Includes all years spent at Neo as well as its predecessors

2. Oaktree has agreed that the Board shall transition to a majority of independent directors at the earliest of December 31, 2018 or such time as Oaktree owns, controls or directs less than 50% of the outstanding Common Shares

# Multiple Avenues for Growth

1

## Continued Growth in Existing Products

- Well positioned to supply materials within broader magnetic, catalytic, electronic, healthcare and aerospace markets
- Strong competitive position due to:
  - Longstanding customer relationships
  - Product development and processing know-how
  - Cost-competitive manufacturing locations
  - Global reach with direct sales channels
  - Geographic diversification of rare earth manufacturing and raw material supply

*i.e. Growth of complex auto catalysts (hybrid vehicles) and electric vehicles*



2

## Growth from New Product Development

- Working with customers to develop new and next generation versions of current products
- Driven by key macro trends that require the functionality that rare earths provide
- Over 20% of current revenues come from products not sold 5 years ago
- Neo has been successful at innovating new products for new markets demanded by customers

*i.e. Development of traction motors with Daido and Honda, recent commercialization of wastewater treatment*



3

## Product Portfolio Acquisitions

- Strong balance sheet and the financial flexibility to selectively pursue strategic acquisitions
- Target companies or assets that would benefit from Neo's global reach, customer relationships, cost-competitive facilities and product development skills
- Proven track record of integrating acquired assets and replicating acquired technology in new geographies

*i.e. Integration of Silmet facility, replication of Oklahoma facility in South Korea*





## Summary of the Offering

# Summary of the Offering

<b>Issuer</b>	▪ Neo Performance Materials Inc.
<b>Selling Shareholders</b>	▪ OCM Neo Holdings (Cayman), L.P.
<b>Offering Size:</b>	▪ Approximately C\$300 million
<b>Offering Price</b>	▪ C\$19.00 to C\$22.00 per Common Share
<b>Dividend Policy</b>	▪ C\$0.095 per quarter (C\$0.38 per annum)
<b>Offering</b>	▪ Approximately 13.6 to 15.8 million Common Shares
<b>Over-Allotment Option</b>	▪ 15% of the Offering; 100% of the Over-Allotment will go to the Selling Shareholder
<b>Use of Proceeds</b>	▪ Neo will not receive any proceeds from the Offering
<b>Lock-Up</b>	▪ 180 days after the Closing Date
<b>Eligibility</b>	▪ RRSP, RESP, RRIF, RDSP, TFSA
<b>Expected Pricing</b>	▪ Expected the week of November 27, 2017
<b>Expected Closing</b>	▪ Expected the week of December 4, 2017
<b>Bookrunners</b>	▪ Scotiabank and RBC Capital Markets

# Public Benchmarks

In accordance with Section 13.7(4) of National Instrument 41-101 – General Prospectus Requirements, all the information relating to Neo's comparables and any disclosure relating to the comparables, which is contained in the presentation to be provided to potential investors, has been removed from this template version for purposes of its filing on the System for Electronic Document Analysis and Retrieval (SEDAR).

# Investment Highlights



Performance Materials

1

Global Leader  
in Growing  
Specialty Markets

2

Growing End  
Markets with  
Exposure to Key  
Growth Trends

3

Unique Global  
Infrastructure  
Platform with  
State-of-the-Art  
R&D Capabilities

4

Longstanding  
Relationships  
with Leading  
Global Customer  
Base

5

Strong  
Profitability,  
Cash Flow and  
Financial Position

57	58	59	60	61	62	63	64	65	66	67	68	69	70	71
<b>La</b>	<b>Ce</b>	<b>Pr</b>	<b>Nd</b>	<b>Pm</b>	<b>Sm</b>	<b>Eu</b>	<b>Gd</b>	<b>Tb</b>	<b>Dy</b>	<b>Ho</b>	<b>Er</b>	<b>Tm</b>	<b>Yb</b>	<b>Lu</b>
Lanthanum 138.905	Cerium 140.116	Praseodymium 140.908	Neodymium 144.243	Promethium 144.913	Samarium 150.36	Europium 151.964	Gadolinium 157.25	Terbium 158.925	Dysprosium 162.500	Holmium 164.930	Erbium 167.259	Thulium 168.934	Ytterbium 173.055	Lutetium 174.967

6

Proven Management Team with Exceptional Track Record

Unique combination of these competitive advantages make Neo's business difficult to replicate



## Appendix

# Board of Directors

Name	Position	Country of Residence	Principal Occupation
Constantine Karayannopoulos	Chairman	Canada	<ul style="list-style-type: none"> <li>Former Chief Executive Officer, Chairman and Director of Molycorp</li> </ul>
Eric Noyrez <sup>1</sup>	Lead Director	France	<ul style="list-style-type: none"> <li>Formerly CEO and Executive Director of Lynas Corporation Ltd.</li> </ul>
Geoff R. Bedford	President, CEO and Director	Canada	<ul style="list-style-type: none"> <li>President and CEO of Neo Performance Materials</li> </ul>
Nicholas Basso	Director	United States	<ul style="list-style-type: none"> <li>Senior Vice President in the Strategy Credit group of Oaktree Capital Management</li> </ul>
Brook Hinchman	Director	United States	<ul style="list-style-type: none"> <li>Senior Vice President in the Opportunities Funds group of Oaktree Capital Management</li> </ul>
Claire Kennedy <sup>1</sup>	Director	Canada	<ul style="list-style-type: none"> <li>Partner in the Toronto office of Bennett Jones LLP</li> </ul>
Aman Kumar	Director	United Kingdom	<ul style="list-style-type: none"> <li>Vice President in the Strategic Credit group of Oaktree Capital Management</li> </ul>
Edgar Lee	Director	United States	<ul style="list-style-type: none"> <li>Portfolio Manager for the Strategic Credit group of Oaktree Capital Management</li> </ul>
Emily Stephens	Director	United States	<ul style="list-style-type: none"> <li>Managing Director in the Opportunities Funds group of Oaktree Capital Management</li> </ul>

<sup>1</sup> Independent Board Members

# Financial Performance Detail

## Summary Financial Performance

(US\$ millions)	LTM	2017 1H	2016 1H	2016	2015	2014
<b>Net Revenue by Segment</b>						
Magnequench	\$171.5	\$89.7	\$77.4	\$159.2	\$185.6	\$218.0
Chemicals & Oxides	\$170.1	\$84.4	\$78.5	\$164.2	\$168.4	\$181.9
Rare Metals	\$74.5	\$39.5	\$35.2	\$70.2	\$67.4	\$79.4
Corporate	(\$12.1)	(\$5.3)	(\$4.7)	(\$11.5)	(\$24.6)	(\$24.9)
<b>Total net revenue</b>	<b>\$404.0</b>	<b>\$208.3</b>	<b>\$186.4</b>	<b>\$382.1</b>	<b>\$396.8</b>	<b>\$454.5</b>
Total cost of sales	(\$287.5)	(\$146.9)	(\$142.1)	(\$282.7)	(\$309.5)	(\$362.3)
<b>Gross profit</b>	<b>\$116.5</b>	<b>\$61.4</b>	<b>\$44.3</b>	<b>\$99.4</b>	<b>\$87.3</b>	<b>\$92.2</b>
Total operating expenses	(\$79.6)	(\$42.7)	(\$33.7)	(\$70.6)	(\$281.5)	(\$307.4)
<b>Operating income (loss)</b>	<b>\$36.9</b>	<b>\$18.7</b>	<b>\$10.6</b>	<b>\$28.8</b>	<b>(\$194.2)</b>	<b>(\$215.3)</b>
<b>Adjusted EBITDA</b>	<b>\$63.3</b>	<b>\$35.4</b>	<b>\$19.8</b>	<b>\$47.6</b>	<b>\$49.3</b>	<b>\$53.6</b>
Adjusted EBITDA Margin - %	15.7%	17.0%	10.6%	12.5%	12.4%	11.8%
Magnequench	\$45.9	\$24.6	\$16.8	\$38.1	\$42.1	\$55.3
Chemicals & Oxides	\$30.0	\$14.7	\$9.2	\$24.5	\$20.0	\$12.2
Rare Metals	\$6.3	\$5.2	(\$0.2)	\$1.0	\$2.4	\$1.6
Corporate	(\$18.8)	(\$9.0)	(\$6.1)	(\$16.0)	(\$15.2)	(\$15.5)
<b>Total capital expenditures</b>	<b>\$8.3</b>	<b>\$4.3</b>	<b>\$3.3</b>	<b>\$7.3</b>	<b>\$9.3</b>	<b>\$8.2</b>

Note: LTM figures as of June 30, 2017

## Commentary

### Annual Performance

- Revenues decreased from 2014 to 2015 partially as a result of decreases in underlying commodity prices
- Volumes increased 7-9% over the period considering the following:
  - Magnequench patents expired in 2014
  - Consistent rare earth separation quotas in China
  - Volume increase in auto catalyst business
- Adjusted EBITDA remained steady throughout the period considering the following:
  - Magnequench patents expired in 2014
  - Volume increase in auto catalyst business
  - Impact of fire at Silmet
  - Lower rare earth prices
  - Restructuring process
- Strong fundamentals coming through the restructuring period as operational improvements continue to yield rewards

### Last Twelve Months Ended June 30, 2017

- Volume growth across all business segments is supporting strong top-line sales growth
  - Magnequench seeing significant volume growth across all key focus applications
  - Chemicals & Oxides continuing to see growth in auto catalyst business
  - Restoration of leaching line at Silmet contributing to growth in Rare Metals
- Adjusted EBITDA growth remains strong
  - Magnequench impacted by volume growth and operational improvements
  - Chemicals & Oxides experiencing strong growth as a result of demand for higher-value molecules
  - Value-added sales, operational improvements and reduction of abnormal costs driving Rare Metal performance

# Adjusted EBITDA Reconciliation

<i>(US\$ millions)</i>	<b>LTM</b>	<b>2017 1H</b>	<b>2016 1H</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Net income (loss)	\$22.8	\$17.8	(\$3.3)	\$1.7	(\$226.2)	(\$225.6)
Add:						
Finance costs, net	\$3.4	(\$0.0)	\$3.9	\$7.3	\$8.3	\$11.5
Income tax expense (benefit)	\$10.5	\$4.1	\$7.5	\$13.9	(\$10.0)	(\$7.4)
Depreciation and amortization included in cost of sales	\$10.7	\$4.9	\$5.3	\$11.1	\$14.8	\$19.7
Depreciation and amortization	\$7.2	\$3.4	\$3.9	\$7.7	\$18.9	\$24.9
<b>EBITDA</b>	<b>\$54.6</b>	<b>\$30.1</b>	<b>\$17.3</b>	<b>\$41.8</b>	<b>(\$194.1)</b>	<b>(\$176.9)</b>
<b>Adjustments to EBITDA:</b>						
Equity loss (income) and impairment of associates	(\$0.3)	(\$0.6)	(\$0.3)	(\$0.1)	\$0.7	\$5.4
Other expense (income)	(\$2.4)	(\$3.0)	(\$1.9)	(\$1.3)	\$8.3	\$3.3
Foreign exchange loss (gain)	\$1.0	\$0.5	\$4.4	\$4.8	(\$7.6)	(\$2.5)
Reorganization items	\$2.0	--	\$0.5	\$2.5	\$32.2	--
Stock-based compensation	\$5.0	\$5.0	--	--	--	--
Impairment of goodwill and other long-lived assets	--	--	--	--	\$203.9	\$222.2
Acquired inventory fair value release	\$3.4	\$3.4	--	--	--	--
Loss related to Molycorp's product	--	--	--	--	\$5.8	\$2.0
<b>Adjusted EBITDA</b>	<b>\$63.3</b>	<b>\$35.4</b>	<b>\$19.8</b>	<b>\$47.6</b>	<b>\$49.3</b>	<b>\$53.6</b>

Note: LTM figures as of June 30, 2017

# Adjusted Net Income Reconciliation

<i>(US\$ millions)</i>	<b>LTM</b>	<b>2017 1H</b>	<b>2016 1H</b>	<b>2016</b>
Net income (loss)	\$22.8	\$17.8	(\$3.3)	\$1.7
Add:				
Reorganization items	\$2.0	--	\$0.5	\$2.5
Foreign exchange loss (gain)	\$1.0	\$0.5	\$4.4	\$4.8
Stock-based compensation	\$5.0	\$5.0	--	--
Acquired inventory fair value release	\$3.4	\$3.4	--	--
Tax impact of the above items	(\$0.5)	(\$0.6)	--	\$0.0
Adjustment to deferred tax asset	(\$1.9)	--	--	(\$1.9)
<b>Adjusted Net Income</b>	<b>\$31.7</b>	<b>\$26.2</b>	<b>\$1.5</b>	<b>\$7.1</b>
Attributable To:				
Equity Holders of Neo Cayman Holdings, Ltd. / Parent's Investment	\$31.5	\$25.8	\$1.6	\$7.3
Non-controlling interest	\$0.2	\$0.4	(\$0.0)	(\$0.2)

Note: LTM figures as of June 30, 2017

# Growth Trends Impacting Neo



Increasing demand for **smaller, lighter and more efficient** micro motors



Tightening air emission standards driving growth for **higher performing** auto catalysts



Growing demand for rare metals in aerospace as they provide **weight reduction, increased fuel efficiency and reduced emissions**

Next generation traction motors used in EVs and HEVs rely on **superior strength and efficiency** provided by rare earths

Rare earth materials are **superior for controlling phosphorus** in wastewater

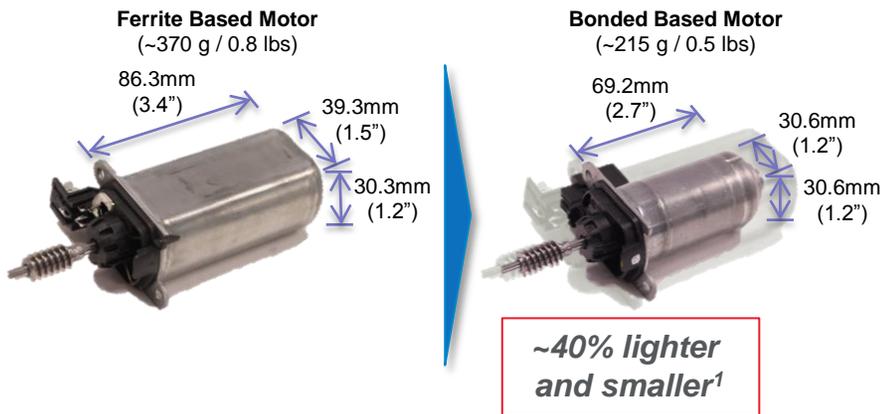
Ongoing rare metals **demand driven by core properties**

Neo benefits from increasing demand for virtually all products that require the core functionality that rare earths and rare metals provide

# Growth Trends Impacting Magnequench

## Increasing Use of Micro Motors

- The number of micro motors and sensors in vehicles is increasing
- Bonded magnets are better suited for a wide array of micro motor applications due to their ability to be formed into unique shapes



### Home / Office Automation



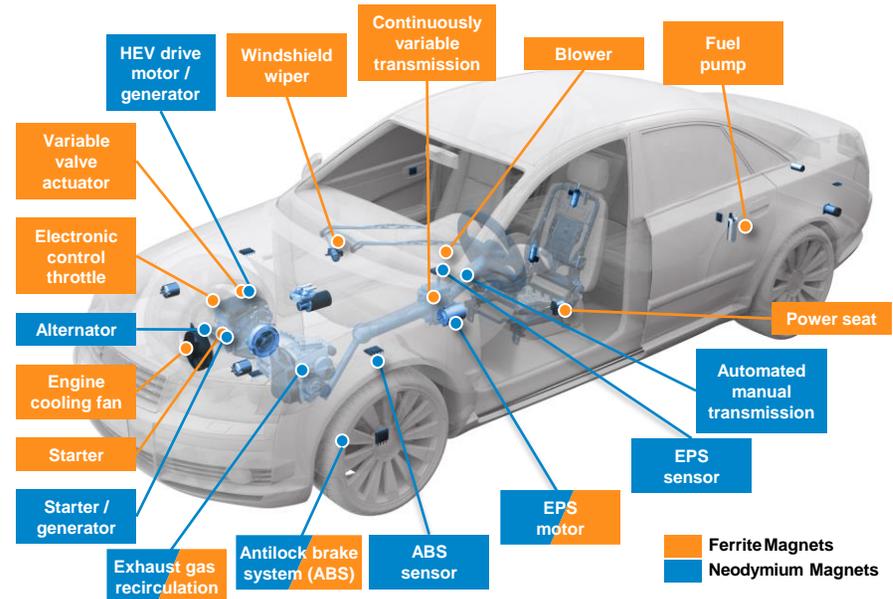
### Robotics



### Automotive



## Electrification of Automobiles<sup>1</sup>



## Hybrid Electric Vehicles (Traction Motors)

- Next generation traction motors in HEVs and EVs rely on rare earth magnets due to their superior strength and resulting efficiency
- Neo's work in partnership with Daido and Honda led to the commercialization of a new magnetic product used in Honda's traction motors, an exciting new platform for future growth



Neo benefits from demand for virtually all products that require small, efficient motors

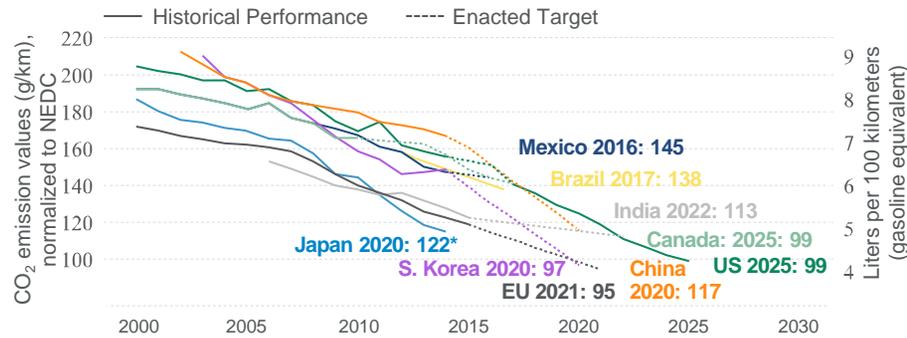
1. Source: Management estimate

# Growth Trends Impacting Chemicals & Oxides

## Tightening Air Emission Standards

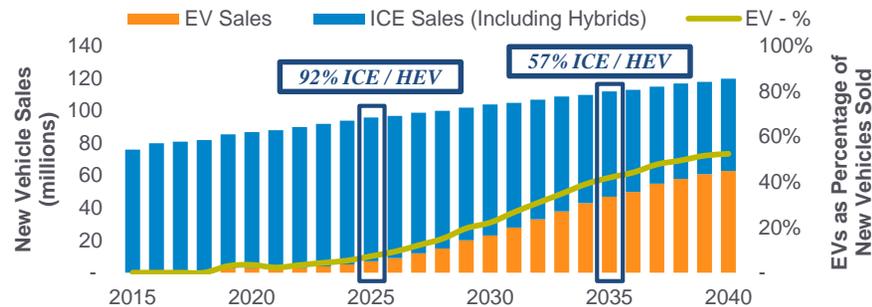
Tightening air emission standards and global implementation is driving growth in demand for higher performing auto catalysts

- ~5% – 10% CAGR for auto catalysts from 2016-2021 according to Johnson Matthey and 7.8% CAGR from 2015-2020 according to Umicore



Source: The International Council of Clean Transportation  
(\* Japan has already met its 2020 statutory targets as of 2013)

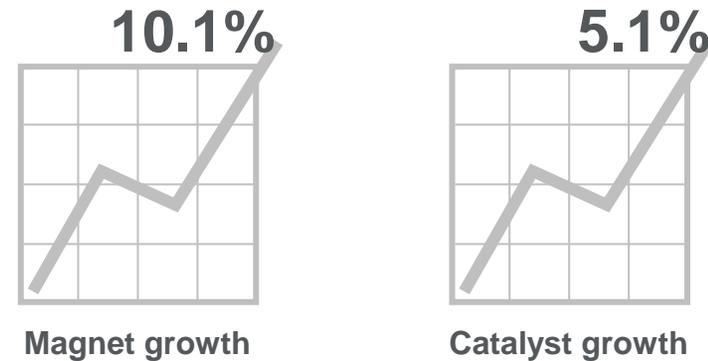
- Expected growth in HEVs will require better performing catalysts



Source: Bloomberg New Energy Finance

## Increased Demand for Rare Earth Oxides

Demand for rare earth oxides are expected to grow at a 5.7% CAGR from 2016 to 2021



## Tightening Wastewater Treatment Standards

- Government regulations have become more stringent with respect to the allowable amount of phosphorus in wastewater discharge
- Rare earth-based functional materials for controlling phosphorus in wastewater treatment systems are superior to other alternatives at reaching low ppm levels
- Current focus on municipal and industrial centres in the U.S. where low phosphorus limits are required



# Growth Trends Impacting Rare Metals

## Demand Driven by Many Applications

- Demand for tantalum and niobium has been driven by the growth in consumer electronics, metal construction materials, aerospace applications and healthcare applications
- Demand for gallium has been driven by the growing LED market as well as the electronics market due to gallium's use in semiconductors and wireless devices
- Many applications also benefit from the superconductive properties of rare metals, including



## Rising Demand for Superalloys

- Superalloys are commonly used in aerospace applications
- According to the Boeing Company, passenger travel growth in the global aviation industry had a 6.2% CAGR over the past 5 years
- Demand for rare metals in aerospace applications is likely to increase at a faster rate than the industry as a whole
  - Global effort to reduce carbon dioxide and energy usage has led to the development of new technologies that deliver weight reduction, decreased fuel consumption and reduced emissions



Neo's Rare Metals platform provides a complementary suite of functional materials and applications



neo<sup>o</sup>

*Performance Materials*