

Neo Performance Materials Reports Third Quarter 2022 Results

Highlights

(unless otherwise noted, all financial amounts in this news release are expressed in U.S. dollars)

- Q3 2022 revenue of \$146.6 million, higher by 22.4% YoY. For the nine months ended September 30, 2022, Neo's revenue was \$481.1 million, an increase of 24.7% YoY.
- Operating income of \$2.2 million in the quarter, lower by 82.2% YoY. For the nine months ended September 30, 2022, operating income was \$51.9 million, an increase of 10.0% YoY.
- Adjusted Net Loss⁽¹⁾ of \$1.9 million in the quarter, or \$(0.04) per share. For the nine months ended September 30, 2022, Neo's Adjusted Net Income⁽¹⁾ was \$37.4 million, or \$0.91 per share.
- Adjusted EBITDA⁽¹⁾ of \$7.0 million in the quarter, lower by 60.1% YoY. For the nine months ended September 30, 2022, Adjusted EBITDA⁽¹⁾ was \$66.6 million, higher by 7.0% YoY.
- Cash balance of \$123.9 million after distributing \$9.9 million for the nine months ended September 30, 2022 in dividends to shareholders.
- On August 16, 2022, Neo entered into a loan agreement with Export Development Canada ("**EDC**") for a term loan of up to \$75.0 million, to finance the relocation, expansion, and sustainability upgrades to one of its environmental emissions catalyst manufacturing facilities (the "**NAMCO Project**").
- On August 22, 2022, Neo announced its intent to acquire an exploration license from Hudson Resources Inc. to pursue development of the Sarfartoq Carbonatite Complex in southwest Greenland, which hosts a mineral deposit enriched in neodymium and praseodymium.
- On August 26, 2022, Hastings Technology Metals Ltd. ("**Hastings**") entered into a binding Share Purchase Agreement with an affiliate of Oaktree Capital L.P. ("**Oaktree**") to acquire common shares of Neo at Cdn. \$15.00 per share. The transaction was completed on October 13, 2022.

⁽¹⁾Neo reports non-IFRS measures such as "Adjusted Net Income", "Adjusted Earnings per Share", "Adjusted EBITDA", "Adjusted EBITDA Margin" and "EBITDA". Please see information on this and other non-IFRS measures in the "Non-IFRS Measures" section of this news release and in the MD&A, available on Neo's website at www.neomaterials.com and on SEDAR at www.sedar.com.

- To supplement Neo's existing cash position, support working capital levels, and plan for future growth, Neo completed a bought deal treasury offering on September 16, 2022 at Cdn. \$15.00 per share, for net proceeds of approximately \$47.7 million.
- On October 14, 2022, Neo entered into a non-binding Memorandum of Understanding with Australian Rare Earths Limited ("**AR3**") to accelerate development of AR3's Koppamurra Rare Earth in western Australia, which is enriched in neodymium, praseodymium, dysprosium and terbium.
- On November 9, 2022, Neo announced it has been awarded a grant of up to \$18.3 million (€18.7 million) from the Government of Estonia under Europe's Just Transition Fund ("**JTF**") for eligible project costs of up to \$95.7 million (€98 million). The terms of the award are governed under the Government of Estonia's regulations on general conditions for granting and using funds from the operational program of the EU cohesion and internal security policy funds for the period 2021-2027 and related regulations, and includes factors such as total eligible costs incurred, and employment created. The grant to Neo is the first such award to any critical materials company in the EU under the JTF program.
- A quarterly dividend of Cdn\$0.10 per common share was declared on November 10, 2022 for shareholders of record at December 20, 2022, with a payment date of December 29, 2022.

TORONTO, Canada, November 11, 2022 – Neo Performance Materials Inc. ("**Neo**", the "**Company**") (TSX:**NEO**) released its third quarter 2022 financial results. The financial statements and management's discussion and analysis ("**MD&A**") of these results can be viewed on Neo's web site at www.neomaterials.com/investors/ and on SEDAR at www.sedar.com.

"Neo is very grateful to the Government of Estonia for choosing to partner with us by providing a grant of up to \$18.3 million (€18.7 million) to help accelerate our plans to construct a vertically integrated rare earth magnet manufacturing facility in Estonia," said Constantine Karayannopoulos, CEO of Neo. "Coupled with our existing rare earth separations plant in Europe, this new strategic magnet manufacturing facility will help Europe move closer to achieving its greenhouse gas reduction and climate resiliency goals."

"With regard to the quarter, while rare earth pricing remains attractive in absolute dollar terms, and is nearly double pre-pandemic norms, the retreat in pricing we have seen over the past six months placed short-term pressure on our margin levels, as higher cost inventory flows through our results of operations," he added. "This lead-lag volatility is normal in our industry and, of course, we reap the benefit in a rising price environment. More important, the strategic initiatives we are pursuing are designed to place Neo in a unique position to take full advantage of the long-term opportunities presented by the global energy transition."

HIGHLIGHTS OF Q3 2022 CONSOLIDATED PERFORMANCE

For the three and nine months ended September 30, 2022, revenues of \$146.6 million and \$481.1 million were 22.4% and 24.7% higher, respectively, than the corresponding periods of 2021. All three segments experienced higher revenues. Selling prices for rare earth products, including Magnequench powders, rose significantly starting from the fourth quarter of 2020 and through the first quarter of 2022. By the third quarter of 2022, rare earth prices declined

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30% to 40% from the peak (in the first quarter of 2022), although they remain almost 100% higher than recent historical norms. Neo benefited from rising prices from the fourth quarter of 2020 to the second quarter of 2022 and Neo was adversely affected by the rapid decline in prices in the third quarter of 2022. The overall pricing and margin environment is higher than historical trends but quarterly results are positively (when prices are rising) or negatively (when prices are falling) affected due to the lead-lag effect of higher cost inventory on hand. In addition to lower margin on sales in the quarter, Neo recorded \$8.0 million of provisions for inventories in the third quarter, related to higher cost inventory on hand, relative to lowered selling prices. In the long term, there are higher dollar value margins available with higher prices.

Operationally, Neo reported significant increases in revenue and earnings year-over-year. Magnequench saw weaker volume across the majority of its applications due primarily to customer slowdowns in Asia related to COVID-19 and the slowdown in automotive due to the semiconductor chip shortage. C&O saw mixed volumes for rare earth elements but slower volumes in the environmental catalyst end markets driven by semiconductor chip shortages. Rare Metals saw record earnings driven by higher selling prices and the continued recovery in aerospace markets and demand from new customers in other end markets, tempered by the elimination of sales to Russian customers.

SELECTED FINANCIAL RESULTS

(\$000s)	<i>Quarter-over-Quarter Comparison</i>		<i>Year-over-Year Comparison</i>	
	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021
Revenue	146,627	119,841	481,130	385,837
Operating income	2,239	12,558	51,887	47,161
EBITDA ⁽¹⁾	5,460	14,695	66,068	51,305
Adjusted EBITDA ⁽¹⁾	7,034	17,650	66,607	62,263
Adjusted EBITDA % ⁽¹⁾	4.8 %	14.7 %	13.8 %	16.1 %

⁽¹⁾Neo reports non-IFRS measures such as "Adjusted Net Income", "Adjusted Earnings per Share", "Adjusted EBITDA", "Adjusted EBITDA Margin" and "EBITDA". Please see information on this and other non-IFRS measures in the "Non-IFRS Measures" section of this news release and in the MD&A.

MAGNEQUENCH SEGMENT RESULTS

	<i>Quarter-over-Quarter Comparison</i>		<i>Year-over-Year Comparison</i>	
	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021
Volume (tonnes)	1,097	1,374	3,620	4,608
(\$000s)				
Revenue	67,402	60,063	219,828	192,856
Operating income	4,897	8,130	27,995	31,805
EBITDA ⁽¹⁾	6,345	9,773	35,814	39,240
Adjusted EBITDA ⁽¹⁾	7,282	10,503	35,384	38,872

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For the three and nine months ended September 30, 2022, revenue in the Magnequench segment of \$67.4 million and \$219.8 million, respectively, were higher by 12.2% and 14.0%, respectively, over the prior-year periods. Volumes in the segment saw a decline with respect to the prior-year period as well as sequentially, driven largely by the recent spike in COVID-19 cases and resulting shutdowns in Asia, several natural disasters impacted production facilities and customers, and the on-going semiconductor chip shortage.

Margins per ton in the Magnequench segment remained strong in the quarter despite being lower than margins in the first half of 2022. Magnequench has pass-through pricing agreements on the vast majority of its sales contracts, and with rare earth magnetic prices having declined from March 2022, Magnequench is beginning to see the reversal of the lead-lag benefit in the three months ended September 30, 2022.

CHEMICALS & OXIDES ("C&O") SEGMENT RESULTS

TABLE 3: Selected C&O Results

(\$000s)	<i>Quarter-over-Quarter Comparison</i>		<i>Year-over-Year Comparison</i>	
	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021
Revenue	52,231	45,677	189,244	152,322
Operating (loss) income	(5,298)	7,142	21,324	27,184
EBITDA ⁽¹⁾	(3,231)	8,099	26,490	22,091
Adjusted EBITDA ⁽¹⁾	(3,863)	8,059	25,710	29,712

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The C&O segment continues to see strong demand for various rare earth products, particularly its magnetic-based products, although the segment was adversely affected by the rapid decline of rare earth prices while processing higher cost inventory (lead-lag impact). Rare earth prices are still more than 100% higher than prices in the 2-3 years prior to the third quarter of 2020. The outlook, both in demand and pricing, remains strong for rare earths, which is expected to lead to higher dollar value margins for C&O in the long term. The rapid decline in prices necessitated C&O to record \$6.0 million of provisions for inventories in the three months ended September 30, 2022.

In C&O's environmental catalysts business, volumes were reasonably strong in the first nine months of 2022, although they were lower than the comparable period in the prior year, which benefited from customers refilling their supply chains. Volumes have seen less of an impact from the semiconductor chip shortage as occurred in Magnequench. C&O's environmentally protective water treatment solutions business continues to perform well with higher volume and new customer adoption, despite challenges in global shipping and logistics availability.

RARE METALS SEGMENT RESULTS**TABLE 4: Selected Rare Metals Results**

(\$000s)	Quarter-over-Quarter Comparison		Year-over-Year Comparison	
	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021
Revenue	31,567	19,509	86,521	56,308
Operating income	5,199	2,074	13,186	4,168
EBITDA ⁽¹⁾	6,587	1,733	16,457	6,014
Adjusted EBITDA ⁽¹⁾	5,797	2,715	15,312	6,080

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Rare Metals achieved record earnings in the first nine months of 2022, continuing the improvement that started in the fourth quarter of 2021. Rare Metals experienced strength in pricing for key products such as hafnium and tantalum while also benefiting from lower-cost inventory on hand. Hafnium prices, in particular, have increased rapidly starting in the fourth quarter of 2021 and the segment benefited by having lower-cost inventory on hand. In addition, the recycling purchases and activities of Rare Metals was particularly impactful to lowering its overall material costs as some of the material purchased in the quarter was not rising as fast as selling prices. While higher selling prices are leading to both lead-lag benefits as well as fundamental improvements in the margin spread between current raw material purchase costs and finished goods selling prices, this was partially offset by the segment not selling some of its niobium oxide products to customers resident in or with connections to Russia, resulting in lower margins and higher inventory on hand at period-end for its niobium oxide products.

The Rare Metals business continues to make progress in several key strategic initiatives, including selling more products outside of the aerospace industry, expanding its customer base, and diversifying its total end-market exposure. Sales prices in a number of end markets have recovered and gallium-based products are exhibiting improved market demand.

CONFERENCE CALL ON FRIDAY NOVEMBER 11, 2022 AT 10 AM EASTERN

Management will host a teleconference call on Friday November 11, 2022 at 10:00 a.m. (Eastern Time) to discuss the third quarter 2022 results. Interested parties may access the teleconference by calling (647) 794-4605 (local) or (888) 254-3590 (toll free long distance) or by visiting <http://cnw.en.mediaroom.com/events>. A recording of the teleconference may be accessed by calling (647) 436-0148 (local) or (888) 203-1112 (toll free long distance), and entering pass code 1561511# until December 12, 2022, or by visiting <http://cnw.en.mediaroom.com/events>.

NON-IFRS MEASURES

This news release refers to certain non-IFRS financial measures and ratios such as "Adjusted Net Income", "EBITDA", "Adjusted EBITDA", and "Adjusted EBITDA Margin". These measures and ratios 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 and ratios 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. Non-IFRS measures and ratios have limitations as analytical tools and should not be considered in isolation nor as a substitute for analysis of Neo's financial information reported under IFRS. Neo uses non-IFRS financial measures and ratios to provide investors with supplemental measures of its base-line operating performance and to eliminate items that have less bearing on operating performance or operating conditions and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. Neo believes that securities analysts, investors and other interested parties frequently use non-IFRS financial measures and ratios in the evaluation of issuers. Neo's management also uses non-IFRS financial measures in order to facilitate operating performance comparisons from period to period. For definitions of how Neo defines such financial measures and ratios, please see the "Non-IFRS Financial Measures" section of Neo's management's discussion and analysis filing for the three and nine months ended September 30, 2022, available on Neo's web site at www.neomaterials.com and on SEDAR at www.sedar.com.

TABLE 5: CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>(\$000s)</i>	September 30, 2022	December 31, 2021
ASSETS		
Current		
Cash and cash equivalents	\$ 123,903	\$ 89,037
Restricted cash	1,210	1,283
Accounts receivable	81,226	65,209
Inventories	199,802	200,954
Income taxes receivable	498	1,667
Other current assets	22,697	19,211
Total current assets	429,336	377,361
Property, plant and equipment	71,845	73,378
Intangible assets	43,450	49,961
Goodwill	65,034	70,082
Investments	17,145	13,759
Deferred tax assets	9,372	6,638
Other non-current assets	1,998	2,903
Total non-current assets	208,844	216,721
Total assets	\$ 638,180	\$ 594,082
LIABILITIES AND EQUITY		
Current		
Bank advances and other short-term debt	\$ 15,219	\$ 6,502
Accounts payable and other accrued charges	60,785	94,201
Income taxes payable	11,140	7,059
Provisions	643	5,560
Lease obligations	1,082	1,589
Derivative liability	17,206	14,704
Current portion of long-term debt	683	—
Other current liabilities	364	1,455
Total current liabilities	107,122	131,070
Long term debt	5,809	—
Employee benefits	1,157	1,210
Provisions	23,020	15,127
Deferred tax liabilities	16,030	13,366
Lease obligations	1,143	1,388
Other non-current liabilities	1,335	1,405
Total non-current liabilities	48,494	32,496
Total liabilities	155,616	163,566
Non-controlling interest	3,028	2,891
Equity attributable to equity holders of Neo Performance Materials Inc.	479,536	427,625
Total equity	482,564	430,516
Total liabilities and equity	\$ 638,180	\$ 594,082

See accompanying notes to this table in Neo's Consolidated Financial Statements for the Three and Nine Months Ended September 30, 2022, available on Neo's website at www.neomaterials.com and on SEDAR at www.sedar.com.

TABLE 6: CONSOLIDATED RESULTS OF OPERATIONS

Comparison of the three and nine months ended September 30, 2022 to the three and nine months ended September 30, 2021:

(\$000s)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue	\$ 146,627	\$ 119,841	\$ 481,130	\$ 385,837
Costs of sales				
Costs excluding depreciation and amortization	120,137	83,330	356,249	268,830
Depreciation and amortization	2,279	1,980	7,045	5,771
Gross profit	24,211	34,531	117,836	111,236
Expenses				
Selling, general and administrative	13,781	13,347	42,296	41,024
Share-based compensation	735	1,198	1,873	2,761
Depreciation and amortization	1,781	1,908	5,529	5,798
Research and development	5,675	5,520	15,956	14,492
Impairment of assets	—	—	295	—
	21,972	21,973	65,949	64,075
Operating income	2,239	12,558	51,887	47,161
Other expense	(448)	(1,284)	(1,736)	(7,145)
Finance (cost) income, net	(1,437)	999	(4,143)	(674)
Foreign exchange loss	(723)	(755)	(175)	(1,844)
(Loss) income from operations before income taxes and equity income of	(369)	11,518	45,833	37,498
Income tax expense	(3,775)	(3,670)	(15,771)	(10,282)
(Loss) income from operations before equity income of associates	(4,144)	7,848	30,062	27,216
Equity income of associates (net of income tax)	332	288	3,518	1,564
Net (loss) income	\$ (3,812)	\$ 8,136	\$ 33,580	\$ 28,780
Attributable to:				
Equity holders of Neo	\$ (3,719)	\$ 8,036	\$ 33,238	\$ 28,442
Non-controlling interest	(93)	100	342	338
	\$ (3,812)	\$ 8,136	\$ 33,580	\$ 28,780
(Loss) Earnings per share attributable to equity holders of Neo:				
Basic	\$ (0.09)	\$ 0.21	\$ 0.81	\$ 0.75
Diluted	\$ (0.09)	\$ 0.21	\$ 0.80	\$ 0.75

See Management's Discussion and Analysis for the Three and Nine Months Ended September 30, 2022, available on Neo's website at www.neomaterials.com and on SEDAR at www.sedar.com.

TABLE 7: RECONCILIATION OF NET (LOSS) INCOME TO EBITDA, ADJUSTED EBITDA AND FREE CASH FLOW

(\$000s)	Three Months Ended September 30.		Nine Months Ended September 30.	
	2022	2021	2022	2021
Net (loss) income	\$ (3,812)	\$ 8,136	\$ 33,580	\$ 28,780
Add back (deduct):				
Finance cost (income), net	1,437	(999)	4,143	674
Income tax expense	3,775	3,670	15,771	10,282
Depreciation and amortization included in costs of sales	2,279	1,980	7,045	5,771
Depreciation and amortization included in operating expenses	1,781	1,908	5,529	5,798
EBITDA	5,460	14,695	66,068	51,305
Adjustments to EBITDA:				
Other expense ⁽¹⁾	448	1,284	1,736	7,145
Foreign exchange loss ⁽²⁾	723	755	175	1,844
Equity income of associates	(332)	(288)	(3,518)	(1,564)
Share-based compensation ⁽³⁾	735	1,198	1,873	2,761
Impairment of assets	—	—	295	—
Other costs (recoveries) ⁽⁴⁾	—	6	(22)	772
Adjusted EBITDA ⁽⁵⁾	\$ 7,034	\$ 17,650	\$ 66,607	\$ 62,263
<i>Adjusted EBITDA Margins ⁽⁵⁾</i>	<i>4.8%</i>	<i>14.7%</i>	<i>13.8%</i>	<i>16.1%</i>
Less:				
Capital expenditures	\$ 1,734	\$ 2,374	\$ 11,098	\$ 6,631
Free Cash Flow ⁽⁵⁾	\$ 5,300	\$ 15,276	\$ 55,509	\$ 55,632
<i>Free Cash Flow Conversion ⁽⁵⁾</i>	<i>75.3%</i>	<i>86.5%</i>	<i>83.3%</i>	<i>89.4%</i>

Notes:

- (1) Represents other expenses resulting from non-operational related activities, including provisions for damages for outstanding legal claims related to historic volumes. These costs and recoveries are not indicative of Neo's ongoing activities.
- (2) Represents unrealized and realized foreign exchange losses (gains) that include non-cash adjustments in translating foreign denominated monetary assets and liabilities.
- (3) Represents share-based compensation expense in respect of the Plan and the LTIP.
- (4) These represent primarily legal, professional advisory fees and other transaction costs incurred with respect to non-operating capital structure related transactions and restructuring costs related to management team changes. Neo has removed these charges to provide comparability with historic periods.
- (5) Neo reports non-IFRS measures such as "Adjusted Net Income", "Adjusted Earnings per Share", "Adjusted EBITDA", "Adjusted EBITDA Margin", "Free Cash Flow" and "Free Cash Flow Conversion". Please see information on this and other non-IFRS measures in the "Non-IFRS Measures" section of this new release and in the MD&A, available on Neo's website www.neomaterials.com and on SEDAR at www.sedar.com.

TABLE 8: RECONCILIATION OF NET (LOSS) INCOME TO ADJUSTED NET (LOSS) INCOME

(\$000s)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net (loss) income	\$ (3,812)	\$ 8,136	\$ 33,580	\$ 28,780
Adjustments to net (loss) income:				
Foreign exchange loss ⁽¹⁾	723	755	175	1,844
Impairment of assets	—	—	295	—
Share-based compensation ⁽²⁾	735	1,198	1,873	2,761
Other costs (recoveries) ⁽³⁾	—	6	(22)	772
Other items included in other expense ⁽⁴⁾	520	(260)	2,014	6,162
Tax impact of the above items	(76)	(43)	(473)	(1,341)
Adjusted net (loss) income ⁽⁵⁾	\$ (1,910)	\$ 9,792	\$ 37,442	\$ 38,978
Attributable to:				
Equity holders of Neo	\$ (1,817)	\$ 9,692	\$ 37,100	\$ 38,640
Non-controlling interest	\$ (93)	\$ 100	\$ 342	\$ 338
Weighted average number of common shares outstanding:				
Basic	41,368,970	37,913,275	40,913,207	37,738,354
Diluted	41,368,970	38,228,888	41,353,231	38,084,902
Adjusted (loss) earnings per share ⁽⁵⁾ attributable to equity holders of Neo:				
Basic	\$ (0.04)	\$ 0.26	\$ 0.91	\$ 1.02
Diluted	\$ (0.04)	\$ 0.25	\$ 0.90	\$ 1.01

Notes:

- (1) Represents unrealized and realized foreign exchange losses (gains) that include non-cash adjustments in translating foreign denominated monetary assets and liabilities.
- (2) Represents share-based compensation expense in respect of the Plan and the LTIP.
- (3) These represent primarily legal, professional advisory fees and other transaction costs incurred with respect to non-operating capital structure related transactions and restructuring costs related to management team changes. Neo has removed these charges to provide comparability with historic periods.
- (4) Represents other expenses resulting from non-operational related activities, including provisions for damages for outstanding legal claims related to historic volumes. These costs and recoveries are not indicative of Neo's ongoing activities.
- (5) Neo reports non-IFRS measures such as "Adjusted Net Income", "Adjusted Earnings per Share", "Adjusted EBITDA", "Adjusted EBITDA Margin", "Free Cash Flow" and "Free Cash Flow Conversion". Please see information on this and other non-IFRS measures in the "Non-IFRS Measures" section of this new release and in the MD&A, available on Neo's website www.neomaterials.com and on SEDAR at www.sedar.com.

About Neo Performance Materials

Neo manufactures the building blocks of many modern technologies that enhance efficiency and sustainability. Neo's advanced industrial materials - magnetic powders and magnets, specialty chemicals, metals, and alloys - are critical to the performance of many everyday products and emerging technologies. Neo's products help to deliver the technologies of tomorrow to consumers today. The business of Neo is organized along three segments: Magnequench, Chemicals & Oxides and Rare Metals. Neo is headquartered in Toronto, Ontario, Canada; with corporate offices in Greenwood Village, Colorado, United States; Singapore; and Beijing, China. Neo has a global platform that includes 10 manufacturing facilities located in China, the United States, Germany, Canada, Estonia, Thailand and South Korea as well as one dedicated research and development centre in Singapore. For more information, please visit www.neomaterials.com.

Information Contacts

Ali Mahdavi
SVP, Corporate Development & Capital Markets
(416) 962-3300
Email: a.mahdavi@neomaterials.com

Jim Sims
Director of Corporate Communications
(303) 503-6203
Email: j.sims@neomaterials.com

Website: www.neomaterials.com

Email: info@neomaterials.com

Cautionary Statements Regarding Forward Looking Statements

This news release contains "forward-looking information" within the meaning of applicable securities laws in Canada. Forward-looking information may relate to future events or future performance of Neo. All statements in this release, other than statements of historical facts, with respect to Neo's objectives and goals, as well as statements with respect to its beliefs, plans, objectives, expectations, anticipations, estimates, and intentions, are forward-looking information. Specific forward-looking statements in this discussion include, but are not limited to, the following: expectations regarding certain of Neo's future results and information, including, among other things, revenue, expenses, sales growth, capital expenditures, and operations; statements with respect to current and future market trends that may directly or indirectly impact sales and revenue of Neo; expected use of cash balances; continuation of prudent management of working capital; source of funds for ongoing business requirements and capital investments; expectations regarding sufficiency of the allowance for uncollectible accounts and inventory provisions; analysis regarding sensitivity of the business to changes in exchange rates; impact of recently adopted accounting pronouncements; risk factors relating to intellectual property protection and intellectual property litigation; risk factors relating to national or international economies (including the impact of COVID-19), geopolitical risk and other risks present in the jurisdictions in which Neo, its customers, its suppliers, and/or its logistics partners operate, and; expectations concerning any remediation efforts to Neo's design of its internal controls over financial reporting and disclosure controls and procedures. 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. Neo believes the expectations reflected in such forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in this discussion and analysis should not be unduly relied upon. For more information on Neo, investors should review Neo's continuous disclosure filings that are available under Neo's profile at www.sedar.com.