

Neo Performance Materials Reports Third Quarter 2025 Results

Neo Delivers Strong Third-Quarter Results and Raises Full-Year Adjusted EBITDA Guidance

TORONTO, Canada, November 14, 2025 – Neo Performance Materials Inc. (“Neo” or the “Company”) (TSX:NEO) (OTCQX: NOPMF) today announced its financial results for the third quarter of 2025. The financial statements and management's discussion and analysis (“MD&A”) for the three and nine months ended September 30, 2025, are available at www.neomaterials.com and on SEDAR+ at www.sedarplus.ca. All financial amounts in this news release and the Company's financial disclosures are in United States dollars, unless otherwise stated.

“Our third-quarter results highlight Neo’s ability to deliver strong operational performance while advancing our strategy to grow our industry-leading permanent magnet business,” said Rahim Suleman, Neo’s President and Chief Executive Officer. “During the quarter, Neo delivered \$19 million in Adjusted EBITDA, bringing our year-to-date total to \$55 million, a 27% increase compared to the same period last year. Reflecting this solid performance, we have raised our full-year 2025 Adjusted EBITDA guidance to a range of \$67 to \$71 million.”

“So far this year, we have achieved several major milestones, advancing the new heavy rare earth separation line in Europe, securing traction-motor magnet contracts with European Tier 1 customers, extending our partnership with Bosch, and, in September, celebrating the grand opening of our new industrial scale sintered magnet plant in Europe. With production beginning in mid-2026, the facility will have productive capacity of 2,000 tonnes annually in its first phase, with plans to expand to 5,000 tonnes. As we continue executing our long-term strategy, Neo is poised to become the critical enabler of diversified and localized permanent-magnet supply chains for the West.”

Strategic and Operational Highlights

- **Strong Adjusted EBITDA Performance:** Neo delivered \$19.2 million and \$55.3 million in Adjusted EBITDA⁽¹⁾ for the three and nine months ended September 30, 2025, marking a 1.9% decrease and 26.5% increase, respectively, from the same periods last year.
 - Magnequench (“MQ”) achieved Adjusted EBITDA of \$8.1 million and \$22.4 million for the three and nine months ended September 30, 2025, increasing by \$1.7 million and \$3.7 million, respectively, over the same periods last year.
 - Chemicals & Oxides (“C&O”) experienced significant improvements in Adjusted EBITDA over the prior year, reporting \$4.1 million and \$16.4 million for the three and nine months ended September 30, 2025, increasing by \$2.8 million and \$12.8 million, respectively, over the same periods last year.
 - Rare Metals (“RM”) continued to deliver solid results with Adjusted EBITDA of \$11.5 million and \$30.9 million for the three and nine months ended September 30, 2025, decreasing by \$4.8 million and \$3.5 million, respectively, over the same periods last year.
- **Neo Raises Full Year 2025 Adjusted EBITDA Guidance:** Neo has raised its 2025 Adjusted EBITDA outlook to \$67.0 to \$71.0 million, up from \$64.0 to \$68.0 million as announced in August, driven by strong third quarter performance, as the Company continues to leverage its global supply chain to respond to evolving market dynamics.

⁽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 Financial Measures" section of this news release and in the MD&A, available at www.neomaterials.com and on SEDAR+ at www.sedarplus.ca.

- **Neo Opens State-of-the-Art Permanent Magnet Facility in Europe:** Neo hosted the grand opening ceremony of its new European Permanent Magnet facility in September 2025, attended by more than 270 guests, including senior leadership from the global automotive, renewable energy, and technology sectors, alongside government officials, media, and investors from across Europe, North America, Australia, and Japan. The event showcased the facility's advanced capabilities and its strategic importance in the global shift toward electrification, sustainability and localized supply chains for critical materials.
- **Neo Extends Partnership with Robert Bosch GmbH ("Bosch"):** On September 19, 2025, Neo announced the extension of its strategic partnership with Bosch through a multi-year Memorandum of Understanding. Under the agreement, Neo will reserve dedicated annual magnet production capacity for Bosch at its European Permanent Magnet facility, ensuring a reliable and localized supply of advanced rare-earth magnets critical for Bosch's e-mobility and energy-efficient motor applications. The partnership underscores Neo's growing role in strengthening Europe's magnet supply chain, supporting the region's transition toward clean technologies, and promoting sustainable industrial innovation through closer collaboration between material producers and global OEMs.
- **Heavy Rare Earth Pilot Line at Silmet Remains on Track for Production Launch:** Neo's heavy rare earth pilot line is nearing completion, with commissioning expected in early 2026. The pilot line will produce dysprosium and terbium, supplying the newly constructed European Permanent Magnet facility during its ramp-up phase, in addition to serving other users and end markets. This initiative serves as a precursor to a potential full-scale commercial production line, positioning Neo to enhance its production capabilities in Europe significantly.

⁽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 Financial Measures" section of this news release and in the MD&A, available at www.neomaterials.com and on SEDAR+ at www.sedarplus.ca.

Consolidated Financial Highlights

- Revenue for Q3 2025 was \$122.2 million, compared to Q3 2024 revenue of \$111.3 million. On a year-to-date basis, 2025 revenue was \$358.5 million compared to \$340.9 million in 2024.
- Operating income for Q3 2025 was \$8.4 million, compared to Q3 2024 operating income of \$11.2 million. Year-to-date 2025 operating income was \$26.2 million, compared to \$22.9 million in 2024.
- Adjusted Net Income⁽¹⁾ for Q3 2025 was \$8.5 million, or \$0.20 earnings per share, compared to Q3 2024 Adjusted Net Income of \$1.1 million or \$0.03 earnings per share. For the nine months ended September 30, 2025, Adjusted Net Income was \$19.9 million, or \$0.48 earnings per share, compared to Adjusted Net Income of \$6.8 million, or \$0.16 earnings per share for the first nine months of 2024.
- Adjusted EBITDA reached \$19.2 million for Q3 2025 and \$55.3 million for nine months ended September 30, 2025, compared to \$19.6 million and \$43.7 million, respectively, in the prior year periods. This resulted in Adjusted EBITDA margin of 15.7% for the quarter and 15.4% for the first nine months, representing a decrease of 190 basis points for the three-month period and an improvement of 280 basis points over the prior year-to-date period, respectively.
- For the nine months ended September 30, 2025, Neo used \$25.4 million in cash from operating activities, driven by the settlement of a European patent claim for \$12.5 million, higher receivables due to timing of sales, and higher strategic inventory held due to geopolitical risks. Neo had \$61.5 million in cash and \$89.9 million in gross debt on its balance sheet as of September 30, 2025.
- For the nine months ended September 30, 2025, Neo invested \$18.4 million in capital expenditures, primarily for the final phase of the new permanent magnet facility and the investment in the heavy rare earth separation pilot line in Europe.
- For the nine months ended September 30, 2025, Neo distributed \$9.1 million in dividends to shareholders and repurchased \$3.9 million of common shares for cancellation under the NCIB.
- A quarterly dividend of CAD\$0.10 per common share was declared on November 11, 2025, for shareholders of record on December 19, 2025, with a payment date of December 29, 2025.

Segment Highlights

Magnequench Delivers Solid Operating Performance and Strategic Progress:

- **Strong Profitability and Volume Growth:** Third-quarter volumes increased 21% year-over-year, driving a 27% improvement in Adjusted EBITDA, Magnequench's strongest quarterly performance in over three years. Growth reflected solid underlying demand and customer restocking in response to evolving supply-chain and geopolitical conditions.
- **Sustained Financial Momentum:** Third-quarter Adjusted EBITDA totaled \$8.1 million and \$22.4 million year-to-date, increases of 27% and 20%, respectively, over the same periods last year, supported by disciplined cost management, operational efficiency, and higher volumes.
- **European Expansion Milestone:** Magnequench advanced its European magnetism strategy with the grand opening of Neo's new industrial scale sintered magnet facility in September.

- **Extended Partnership with Bosch:** Neo entered into a new multi-year agreement with Bosch, securing dedicated magnet production capacity at Neo's European magnet facility to support Bosch's e-mobility and energy-efficient motor programs, reinforcing a stable and localized supply chain.
- **Record Bonded Magnet Volumes:** Bonded magnet shipments reached record quarterly levels, up 38% year-over-year, supported by accelerating demand for data centers serving AI.
- **Strong Powder Sales:** Bonded powder volumes also increased 18% year-over-year, reflecting continued market share gains and healthy downstream demand.

Chemicals & Oxides Delivers Strong Growth and Strategic Realignment:

- **Solid Financial Performance:** Adjusted EBITDA increased 213% year-over-year in the third quarter and 358% year-to-date, reaching \$4.1 million and \$16.4 million, respectively. Results reflect higher rare earth prices, the successful transformation of the business and continued operational discipline.
- **Portfolio Optimization Drives Growth:** Following the sale of the Chinese separation facilities in Q1 and the relocation of the emission catalyst operations to NAMCO, C&O remains focused on higher-margin businesses with strong growth potential, including emission catalysts and wastewater treatment solutions.
- **Robust Demand Across Key Markets:** Emission catalyst volumes rose 20% in the quarter and 12% year-to-date, while wastewater treatment volumes achieved another record quarter, up 42% year-over-year, supported by rising global sustainability and environmental compliance needs.
- **Strategic European Separation Capabilities:** C&O continues to operate one of the few non-captive rare earth separation facilities in Europe, equipped with a world-class laboratory, advanced analytical capabilities, and a new heavy rare earth separation pilot line that remains on track and on budget with construction nearing completion.

Rare Metals Maintains Good Performance Amid Market Normalization:

- **Resilient Financial Results:** Adjusted EBITDA totaled \$11.5 million for the quarter and \$30.9 million year-to-date, down 30% and 10%, respectively, from the prior-year periods, reflecting the expected normalization of hafnium prices following record highs in 2024.
- **Healthy End-Market Demand:** Rare Metals continues to benefit from robust demand in aerospace, industrial gas turbine, and semiconductor markets, supported by ongoing global investment in advanced manufacturing and clean energy technologies.
- **Hafnium Price Normalization:** Hafnium gross margins declined 41% year-over-year as prices stabilized, moderating profitability compared to last year's exceptional levels.
- **Gallium Business Strength:** The gallium segment delivered solid results on continued pricing strength and rising regulatory tailwinds. Neo remains one of the only gallium recyclers in North America, positioning the business for sustained long-term growth.
- **Strategic Supply Initiatives:** The segment continues to focus on securing scrap and input materials through strategic sourcing partnerships and recovery initiatives, ensuring a stable, diversified supply base to support future growth.

Conference Call

Neo's third quarter 2025 financial results webcast and conference calls details are provided below.

Webcast / Conference Call Details:

Date: Friday, November 14, 2025

Time: 10:00 AM ET | 7:00 AM PT

Listen Only Webcast: [Webcast Link](#)

Conference call: 1-416-945-7677 (local) or 1-888-699-1199 (toll-free long distance) or by visiting [Dial-in Link](#) and completing the online registration form. Once registered, you will receive the dial-in information and a unique PIN to join the call.

A replay of the webcast will be available by clicking on the webcast [LINK](#) above and will be archived on www.neomaterials.com for a limited time.

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Non-IFRS Financial Measures

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

Specified financial measures such as 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 specified financial measures 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 specified financial measures such as non-IFRS financial measures and ratios in the evaluation of issuers. Neo's

management also uses non-IFRS financial measures and ratios to facilitate operating performance comparisons from period to period. Readers are cautioned that these measures should not be construed as an alternative to their nearest or directly comparable financial measures determined in accordance with IFRS as an indication of Neo's financial performance. For further information on how Neo defines such specified financial measures, including non-IFRS financial measures and ratios and, where applicable, their reconciliations to the nearest comparable IFRS measures, please see the "Non-IFRS Financial Measures" section of Neo's MD&A for the three and nine months ended September 30, 2025, which is hereby incorporated by reference into this news release, and at www.neomaterials.com and on SEDAR+ at www.sedarplus.ca.

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, rare earth magnets, magnetic assemblies, specialty chemicals, metals, and alloys – are critical to the performance of many everyday products and emerging technologies. Neo's products fast-forward technologies for the net-zero transition. 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 manufacturing facilities located in Canada, China, Estonia, Germany, Thailand and the United Kingdom, as well as one dedicated research and development center in Singapore. For more information, please visit www.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 news 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 information in this news release include, but are not limited to: expectations regarding certain of Neo's future results and information, including, among other things; revenue; expenses; growth prospects; capital expenditures; and operations; risk factors relating to national or international economies, geopolitical risk and other risks present in the jurisdictions in which Neo, its customers, its suppliers, and/or its logistics partners operate; statements with respect to current and future market trends that may directly or indirectly impact sales and revenue of Neo, including but not limited to the price of rare earth elements; expected use of cash balances; continuation of prudent management of working capital; source of funds for ongoing business requirements and capital investments; expectations regarding sufficiency of the allowance for uncollectible accounts and inventory provisions; analysis regarding sensitivity of the business to changes in exchange rates and changes in rare earth prices; impact of recently adopted accounting pronouncements; risk factors relating to intellectual property protection and intellectual property litigation; expectations regarding demand for products and applications; expectations regarding the growth of superconductor materials; anticipated launch of Neo's new permanent magnet facility in Europe and related commercial production estimates, forecasted budget, commissioning and costs associated with the facility; Neo's requalified product portfolio, including the NAMCO product portfolio, and continued product qualification expected in 2025 and

2026; any anticipated final costs associated with NAMCO; expectations regarding tariffs and export restrictions; securing new automotive customer agreements for permanent magnet and emission catalyst facilities; expectations concerning the continued growth of the Magnequench project and improvements in C&O; expectations concerning any remediation efforts to Neo's design of its internal controls over financial reporting and disclosure controls and procedures; and Neo's 2025 guidance and the assumptions relating thereto.

Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. This information involves risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information.

Additionally, Neo's 2025 guidance reflects Neo's expectations as to financial performance in 2025 based on assumptions which Neo believes to be reasonable as of the date of this news release including but not limited to continued Magnequench growth, significant improvements in C&O, exiting lower-margin separation assets, strong hafnium demand despite pricing moderation, continued reduction in SG&A expenses, expectations regarding tariffs and export controls; securing new automotive customer agreements for permanent magnet and emission catalyst facilities, expectations concerning the continued growth of the Magnequench project and improvements in C&O. Neo believes the expectations reflected in such forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in this discussion and analysis should not be unduly relied upon. For more information on Neo, investors should review filings available under Neo's profile at www.sedarplus.ca.

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

HIGHLIGHTS OF THIRD QUARTER 2025 CONSOLIDATED PERFORMANCE

(\$000s, except per share information)

	Three Months Ended		Nine Months Ended	
	September 30.		September 30	
	2025	2024	2025	2024
Revenue				
Magnequench	\$ 54,859	\$ 45,573	\$ 149,599	\$ 133,149
C&O	28,834	27,920	105,778	102,911
Rare Metals	39,326	38,578	107,979	107,765
Corporate / Eliminations	(806)	(1,435)	(4,833)	(2,900)
Consolidated Revenue	\$ 122,213	\$ 111,281	\$ 358,523	\$ 340,925
Operating Income (Loss)				
Magnequench	\$ 2,512	\$ 2,465	\$ 6,016	\$ 8,106
C&O	2,463	(975)	12,150	(2,881)
Rare Metals	10,828	15,852	29,105	33,225
Corporate / Eliminations	(7,439)	(6,166)	(21,108)	(15,502)
Consolidated Operating Income	\$ 8,364	\$ 11,176	\$ 26,163	\$ 22,948
Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")				
Magnequench	\$ 8,140	\$ 6,424	\$ 22,360	\$ 18,704
C&O	4,072	1,301	16,351	3,572
Rare Metals	11,514	16,355	30,912	34,379
Corporate / Eliminations	(4,550)	(4,525)	(14,344)	(12,948)
Consolidated Adjusted EBITDA	\$ 19,176	\$ 19,555	\$ 55,279	\$ 43,707
Net Earnings	\$ 1,358	\$ (2,711)	\$ 5,659	\$ (979)
Earnings per share attributable to equity holders of Neo				
Basic	\$ 0.03	\$ (0.06)	\$ 0.14	\$ (0.02)
Diluted	\$ 0.03	\$ (0.06)	\$ 0.13	\$ (0.02)
Cash spent on property, plant and equipment and intangible assets	\$ 7,829	\$ 25,527	\$ 28,146	\$ 52,183
Cash taxes paid	\$ 3,025	\$ 5,529	\$ 11,191	\$ 18,832
Dividends paid to shareholders	\$ 3,014	\$ 3,057	\$ 9,094	\$ 9,268
Dividend paid to Buss & Buss minority shareholder	\$ —	\$ 7,967	\$ 7,343	\$ 7,967
Repurchase of common shares under Normal Course Issuer Bid	\$ 1,547	\$ —	\$ 3,889	\$ 2,250
<i>As at:</i>			September 30, 2025	December 31, 2024
Cash and cash equivalents			\$ 61,481	\$ 85,489
Short-term debt, bank advances & other			\$ 693	\$ 2,740
Total debt			\$ 89,932	\$ 71,536

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>Unaudited; (\$000s)</i>	September 30, 2025	December 31, 2024
ASSETS		
Current		
Cash and cash equivalents	\$ 61,481	\$ 85,489
Accounts receivable	90,66	61,232
Inventories	160,71	139,321
Income taxes receivable	6,51	4,108
Assets held for sale		40,949
Other current assets	21,40	22,389
Total current assets	340,776	353,488
Property, plant and equipment	196,04	178,925
Intangible assets	31,01	33,580
Goodwill	65,07	64,029
Equity method investments	17,096	16,330
Other investments	3,281	217
Deferred tax assets	3,11	4,045
Other non-current assets	6,08	2,640
Total non-current assets	321,708	299,766
Total assets	\$ 662,484	\$ 653,254
LIABILITIES AND EQUITY		
Current		
Short-term debt	\$ 693	\$ 2,740
Accounts payable and other accrued charges	79,368	69,546
Income taxes payable	14,01	10,463
Provisions	58	12,512
Lease obligations	77	1,229
Derivative liability	51,67	47,416
Current portion of long-term debt	4,923	4,610
Liabilities directly associated with the assets held for sale		10,254
Other current liabilities	385	647
Total current liabilities	152,41	159,41
Long-term debt	84,316	64,186
Derivative liability	1,406	1,311
Provisions	6,63	6,726
Deferred tax liabilities	10,21	12,646
Lease obligations	3,05	3,244
Other non-current liabilities	28	842
Total non-current liabilities	105,91	88,955
Total liabilities	258,328	248,372
Non-controlling interest	45	2,714
Equity attributable to common shareholders	403,70	402,168
Total equity	404,156	404,882
Total liabilities and equity	\$ 662,484	\$ 653,254

See accompanying notes to this table in Neo's unaudited interim condensed consolidated financial statements as at September 30, 2025 and for the period then ended.

CONSOLIDATED RESULTS OF OPERATIONS

(\$000s)	Three Months Ended September 30,		Nine Months Ended September 30	
	2025	2024	2025	2024
Revenue	\$ 122,213	\$ 111,281	\$ 358,523	\$ 340,925
Cost of sales				
Cost excluding depreciation and amortization	86,807	75,851	254,458	248,849
Depreciation and amortization	2,002	2,107	5,942	6,041
Gross profit	33,404	33,323	98,123	86,035
Expenses				
Selling, general and administrative	14,985	15,707	46,619	44,954
Share-based compensation	4,081	909	8,530	2,289
Depreciation and amortization	1,793	1,791	5,299	5,395
Research and development	4,181	3,474	11,512	9,976
(Reversal of impairment) / impairment of assets	—	266	—	473
Total expenses	25,040	22,147	71,960	63,087
Operating income	8,364	11,176	26,163	22,948
Other income (expense)	205	(696)	(4,483)	2,897
Finance cost, net	(2,464)	(10,695)	(14,254)	(13,607)
Foreign exchange (loss) gain	(519)	1,235	7,966	(31)
Income from operations before income taxes and equity income of associates	5,586	1,020	15,392	12,207
Income tax expense	(4,573)	(2,991)	(10,528)	(10,374)
Income (loss) from operations before equity income (loss) of associates	1,013	(1,971)	4,864	1,833
Equity income (loss) of associates (net of income tax)	345	(740)	795	(2,812)
Net income (loss)	\$ 1,358	\$ (2,711)	\$ 5,659	\$ (979)
Attributable to:				
Common shareholders	\$ 1,363	\$ (2,627)	\$ 5,655	\$ (895)
Non-controlling interest	(5)	(84)	4	(84)
	\$ 1,358	\$ (2,711)	\$ 5,659	\$ (979)
Earnings (loss) per share attributable to common shareholders:				
Basic	\$ 0.03	\$ (0.06)	\$ 0.14	\$ (0.02)
Diluted	\$ 0.03	\$ (0.06)	\$ 0.13	\$ (0.02)

For additional information, refer Neo's MD&A for the three and nine months ended September 30, 2025.

RECONCILIATION OF NET INCOME TO EBITDA, ADJUSTED EBITDA AND FREE CASH FLOW

<i>Unaudited; (\$000s, except volume)</i>	Three Months Ended September 30.		Nine Months Ended September 30	
	2025	2024	2025	2024
Sales volume (tonnes)	3,537	3,036	10,228	9,256
Revenue	\$ 122,213	\$ 111,281	\$ 358,523	\$ 340,925
Net income (loss)	\$ 1,358	\$ (2,711)	\$ 5,659	\$ (979)
Add back:				
Finance costs, net	2,464	10,695	14,254	13,607
Income tax expense	4,573	2,991	10,528	10,374
Depreciation and amortization included in cost of sales	2,002	2,107	5,942	6,041
Depreciation and amortization included in operating expenses	1,793	1,791	5,299	5,395
EBITDA	12,190	14,873	41,682	34,438
Adjustments to EBITDA:				
Other (income) expense	(205)	696	4,483	(2,897)
Foreign exchange loss (gain)	519	(1,235)	(7,966)	31
Equity (income) loss of associates	(345)	740	(795)	2,812
Share-based compensation	4,081	909	8,530	2,289
Project start-up and transition costs	2,936	3,306	9,345	6,561
Impairment of assets	—	266	—	473
Adjusted EBITDA	\$ 19,176	\$ 19,555	\$ 55,279	\$ 43,707
Adjusted EBITDA Margin	15.7%	17.6%	15.4%	12.8%
Less:				
Capital expenditures	\$ 8,214	\$ 21,339	\$ 18,447	\$ 57,387
Free Cash Flow	\$ 10,962	\$ (1,784)	\$ 36,832	\$ (13,680)

For additional information, refer Neo's MD&A for the three and nine months ended September 30, 2025.

RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED NET INCOME

(\$000s)	Three Months Ended September 30.		Nine Months Ended September 30	
	2025	2024	2025	2024
Net income (loss)	\$ 1,358	\$ (2,711)	\$ 5,659	\$ (979)
Adjustments to net income (loss):				
Foreign exchange loss (gain)	519	(1,235)	(7,966)	31
Impairment of assets	—	266	—	473
Share-based compensation	4,081	909	8,530	2,289
Project start-up & transition costs	2,936	3,306	9,345	6,561
Other items included in other (income) expense	(200)	891	4,628	(1,999)
Tax impact of the above items	(201)	(287)	(300)	407
Adjusted net income	\$ 8,493	\$ 1,139	\$ 19,896	\$ 6,783
Attributable to:				
Common shareholders	\$ 8,498	\$ 1,223	\$ 19,892	\$ 6,867
Non-controlling interest	(5)	(84)	4	(84)
Weighted average number of common shares outstanding:				
Basic (000s)	41,588	41,752	41,732	41,778
	43,982	42,466		
Diluted (000s)			43,356	42,459
Adjusted earnings per share attributable to common shareholders:				
Basic	\$ 0.20	\$ 0.03	\$ 0.48	\$ 0.16
Diluted	\$ 0.19	\$ 0.03	\$ 0.46	\$ 0.16

For additional information, refer Neo's MD&A for the three and nine months ended September 30, 2025.