

## Neo Concludes Strategic Review and Accelerates Current Strategic Path

**TORONTO, Canada, May 22, 2025**—Neo Performance Materials Inc. (“Neo” or the “Company”) (TSX:NEO) today announced that the board of directors of Neo (the “Board”), on the recommendation of Neo’s special committee (the “Special Committee”) of independent directors, has determined to continue to accelerate the execution of Neo’s current strategic plan with a focus on building upon Neo’s long-standing leadership in rare earth magnetism and critical materials. The strategic review process was initiated in June 2024 to assess opportunities to maximize shareholder value, including the current strategy of the business, opportunities to optimize its portfolio, Neo’s approach to capital allocation, and the potential for an en bloc sale of the Company or asset level transactions.

Upon completing its determination, the Board stated:

*“Neo is at an important inflection point with substantial momentum in its projects and its recent performance validates Neo’s focus on downstream opportunities, with significantly less exposure to rare earth price volatility.*

*As the Special Committee evaluated a number of alternatives in the course of the strategic review, it concluded that there were opportunities for value creation through the accelerated execution of Neo’s strategic plan and that the deal completion risks associated with an en bloc sale were significant given current geopolitical dynamics.*

*Neo’s end markets continue to grow as its customers see a growing need for a diversified supplier base. The Company is scaling its European magnet operations and evaluating additional supporting capabilities, such as heavy rare earth separations. Neo also continues to achieve enhancements in its cost of capital, capital efficiency, and its long-term return on capital by exiting low profitability businesses and allocating capital to more attractive growth opportunities.*

*The Board is confident in Neo’s strategic direction and the management team’s ability to unlock value for all shareholders.”*

### Key Findings of the Strategic Review

Potential for En Bloc Sale: The Special Committee and its financial advisors conducted a comprehensive outreach to strategic and financial counterparties and considered potential en bloc sale opportunities. After giving consideration to the potential value available and in light of the associated transaction risks, including in the context of the current geopolitical environment, the Board determined to end the strategic review process and continue to execute on the Company’s strategy.

Strategy for Advancing the Business: The Special Committee determined that becoming a premier global supplier of rare earth permanent magnets and critical materials is a transformative and value maximizing strategy for the Company. In this regard, the Company’s permanent magnet facility in Europe is expected to be completed on time and on budget and start commercial production in 2026. Neo has executed numerous off-take agreements with upstream providers, has begun engineering and design for a pilot heavy

rare earth separation line in Europe expanding on its light rare earth capabilities already in production and will look to expand its production capacity in Europe and elsewhere (including the US).

Portfolio Optimization: The Special Committee recommended ongoing asset optimization to simplify and focus the business while unlocking value for shareholders. During the course of the strategic review process Neo successfully completed sales of its majority equity interest in non-core Chinese separation facility assets, known as JAMR and ZAMR, at premium valuations, divested its Gallium Trichloride business in Quapaw and closed the hydrometallurgy portion of its Niobium and Tantalum business. Neo also completed the construction of its world class and highly automated emissions catalyst facility, which is currently running at scale and has qualified products with all of its customers.

Capital Allocation: Neo maintains a strong balance sheet and liquidity position. Neo's exit from its China separation facilities reduces its exposure to volatile pricing and freed up working capital and cash balances in China. Substantial completion of major capital projects and securing favourable loans and government grants have reduced Neo's capital exposure. The Board intends to maintain Neo's current dividend policy and, subject to approval by the Toronto Stock Exchange, re-institute a normal course issuer bid.

### **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 China, Germany, Canada, Estonia, Thailand and the United Kingdom, as well as one dedicated research and development centre in Singapore. For more information, please visit [www.neomaterials.com](http://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 press release include, but are not limited to: expectations regarding certain of Neo's future results, business and operations, including, among other things, the acceleration of Neo's current strategic plan with an increased focus on building upon Neo's leadership in rare earth magnetism and critical minerals; expectations regarding reduced exposure to rare earth price volatility; anticipated growth in Neo's end markets; scaling of Neo's European magnet operations, including the anticipated completion date and reaching scale commercial production in 2026; expansion of production capabilities of Neo's light rare earth capabilities in Europe and elsewhere (including the US); enhancements in cost of capital, capital efficiency and long term return on capital by exiting low profitability businesses and allocating capital to more attractive growth opportunities; reduced exposure to volatile pricing and improved working capital and cash balances; further optimization of Neo's asset base; and Neo's intention to commence a normal course issuer bid, subject to approval from the Toronto Stock Exchange. 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 available under its profile at [www.sedarplus.ca](http://www.sedarplus.ca). Information contained in forward-looking statements in this press 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.

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