

Neo Performance Materials Reaches Settlement in European Patent Litigation

Toronto, Ontario, January 2, 2026 – Neo Performance Materials Inc. ("Neo" or the "Company") (TSX: NEO) (OTCQX:NOPMF) announced today that its wholly owned subsidiaries, Neo Chemicals & Oxides (Europe) Ltd., NPM Silmet OÜ and NPM C&O Europe OÜ, have entered into a settlement agreement with Rhodia Opérations S.A.S ("**Rhodia**", a wholly-owned subsidiary of the Solvay Group) to resolve the outstanding litigation related to certain European Patents.

The settlement relates to the German designation of the following European Patents:

- EP 0 735 984 B1
- EP 0 605 274 B1
- EP 0 863 846 B1
- EP 0 955 267 B1
- EP 1 527 018 B1
- EP 2 007 682 B1
- EP 2 523 907 B1
- EP 1 435 338 B1
- EP 3 009 403 B1 (the Estonian designation is also included)

Under the terms of the agreement, Neo will make an aggregate cash payment of €7.1 million to be paid to Rhodia in the first quarter of 2026. All parties have agreed to a mutual release of claims and to withdraw outstanding court proceedings related to these patents.

All of the patents subject to the settlement, other than EP '682, have expired. In addition, the settlement amount is not materially different from the amount previously accrued by Neo in its financial statements. As a result, Neo does not expect the settlement to limit the Company's ongoing sales of its current automotive catalyst products or materially affect its earnings.

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 a dedicated research and development center in Singapore. For more information, please visit www.neomaterials.com.

Cautionary Statements Regarding Forward Looking Statements

This news release may contain "forward-looking information" within the meaning of applicable Canadian securities legislation. Generally, but not always, forward-looking information and statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negative connotation thereof or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotation thereof. Specific forward-looking statements in this news release include, but are not limited to, production capacity of the new plant, launch of new project awards, operational expectations resulting from such project awards, revenue expectations and other matters relating thereto. In making the forward-looking information in this news release, the Company has applied certain factors and assumptions that are based on its current beliefs as well as assumptions made by and information currently available to the Company. Although the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect, and the forward-looking information in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking information. There are many risk factors associated with the launch and operations of the new project platform. A number of factors could cause actual results to differ materially from those anticipated by the Company, including but not limited to the risks and uncertainties inherent in the nature of operations including the risks of a material adverse change in the Company's assets or revenues, or risks of unknown liabilities that may arise.

Readers are cautioned not to place undue reliance on forward-looking information. The Company does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by law. For more information on Neo, investors should review Neo's continuous disclosure filings that are available under Neo's profile at www.sedarplus.ca.

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