

Neo Performance Materials Reports Second Quarter 2025 Results

Neo Raises Full Year Guidance on Strong First Half-Year Performance

TORONTO, Canada, August 12, 2025 – Neo Performance Materials Inc. (“Neo”) (TSX:NEO) (OTCQX: NOPMF) reported today its second quarter 2025 financial results. The financial statements and management's discussion and analysis (“MD&A”) for the three and six months ended June 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.

"Neo delivered strong second quarter results, with Adjusted EBITDA up 42% year-over-year. Our performance for the first half of 2025 is ahead of expectations and reflects strong execution across the business. The results were driven by continued strength in our key end markets and solid operational performance across all our segments, including 31% volume growth in Magnequench. Given our strong first-half performance and our business outlook, we are raising our full-year Adjusted EBITDA guidance to a range of \$64.0 to \$68.0 million," said Rahim Suleman, Neo's President and Chief Executive Officer.

"Our performance provides a strong foundation to execute on our clear strategic path, which is anchored by the long-term growth opportunity in rare earth permanent magnets," Suleman said. "Our European permanent magnet facility has been recognized on the global stage at the recent G7 Summit and continues to attract incredible customer interest, demonstrated by the award of an additional traction motor program. This multi-year agreement is expected to generate \$50 million in cumulative revenue, and we are focused on disciplined execution to deliver long-term value for shareholders."

Key Takeaways

1. **Strong Adjusted EBITDA Growth:** Neo delivered \$19.0 million and \$36.1 million in Adjusted EBITDA for three and six months ended June 30, 2025, marking a 41.6% and 49.5% increase, respectively, from the same periods last year.
 - a. Magnequench (“MQ”) achieved an Adjusted EBITDA of \$7.6 million and \$14.2 million for the three and six months ended June 30, 2025, increasing by \$1.4 million and \$1.9 million, respectively, over the same periods last year.
 - b. Chemicals & Oxides (“C&O”) reported an Adjusted EBITDA of \$5.4 million and \$12.3 million for the three and six months ended June 30, 2025, increasing by \$2.8 million and \$10.0 million, respectively, over the same periods last year.
 - c. Rare Metals (“RM”) experienced an improvement in Adjusted EBITDA, reporting \$10.8 million and \$19.4 million for the three and six months ended June 30, 2025, increasing by \$2.0 million and \$1.4 million, respectively, over the same periods last year.
2. **Neo Raises Full Year 2025 Adjusted EBITDA Guidance:** Neo has increased its 2025 Adjusted EBITDA outlook to \$64.0 to \$68.0 million (up from \$55.0 to \$60.0 million) based on strong first-half performance, while continuing to leverage its global supply chain to manage risks and capture opportunities amid shifting geopolitical conditions.
3. **Neo's Permanent Magnet Highlighted at G7 Summit Emphasizing Need for Geographic Diversification:** In June 2025, Neo's Made-in-Europe permanent magnet was showcased by EU Commission President Ursula von der Leyen during the 2025 G7 Summit in Kananaskis, Alberta. The President noted the strong global cooperation in building resilient critical material supply chains.
4. **Neo Wins Additional Tier 1 and OEM Customer Award in Europe:** In July 2025, Neo was awarded the supply contract for a new platform of permanent rare earth magnets with an additional European Tier

⁽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.sedarplus.ca.

- 1 supplier of EV traction motors to another major original equipment manufacturer (“OEM”), demonstrating Neo’s reputation as a preferred supplier.
5. **Neo Announces Grand Opening Date of European Permanent Magnet Facility in September 2025:** Construction of the European Permanent Magnet facility remains on track and on budget, with the grand opening scheduled for September 2025, where Neo expects to host an international audience of leadership representatives from government, investors, suppliers, media, and broader stakeholder institutions. In the second quarter, the facility shipped its first sintered magnet samples matching customer-defined specifications.
 6. **Heavy Rare Earth Pilot Line Commences Construction at the Silmet Facility:** Neo started construction of a heavy rare earth pilot line at its Silmet facility. The mini-production line is planned to produce dysprosium and terbium, capable of 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, adding heavy rare earth capabilities to the light rare earths already separated by Neo in Europe.
 7. **Strategic Review Concludes, Reinforcing Neo’s Long-term Growth Strategy:** Following a recommendation from Neo’s Special Committee of independent directors, the board has resolved to accelerate the implementation of Neo’s strategic plan. This approach will prioritize strengthening Neo’s established leadership position in rare earth magnetism and critical materials and drive a transformative and value-maximizing strategy for Neo, as evidenced by Neo’s efforts towards its European Permanent Magnet facility. Neo’s strategic plan will continue to achieve enhancements in its cost of capital, and its long-term return on capital, which includes Neo re-establishing a normal course issuer bid in June 2025.

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Q2 Financial Highlights

- Revenue for Q2 2025 was \$114.7 million, compared to Q2 2024 revenue of \$107.5 million. On a first-half basis, 2025 revenue was \$236.3 million compared to \$229.6 million in 2024.
- Operating income for Q2 2025 was \$8.2 million, compared to Q2 2024 operating income of \$5.8 million. On a first-half basis, 2025 operating income was \$17.8 million, compared to \$11.8 million in 2024.
- Adjusted Net Income⁽¹⁾ for Q2 2025 was \$7.8 million, or \$0.19 earnings per share, compared to Q2 2024 Adjusted Net Income⁽¹⁾ of \$5.3 million or \$0.13 earnings per share. For the six months ended June 30, 2025, Adjusted Net Income was \$11.4 million, or \$0.27 earnings per share, compared to Adjusted Net Income of \$5.6 million, or \$0.14 earnings per share for the first six months of 2024.
- Adjusted EBITDA reached \$19.0 million for Q2 2025 and \$36.1 million for the six months ended June 30, 2025, compared to \$13.4 million and \$24.2 million, respectively, in the prior year period. This drove a corresponding improvement in Adjusted EBITDA margin to 16.5% for the quarter and 15.3% for the first half, which represents gains of 400 and 480 basis points over the prior-year periods, respectively.
- For the six months ended June 30, 2025, Neo used \$22.8 million in cash from operating activities, which includes the impact of the European patent settlement, increased accounts receivable from customer sales timing, and strategic inventory held due to geopolitical risks. Neo had \$80.3 million in cash and \$93.6 million in gross debt on its balance sheet as of June 30, 2025.
- Neo invested \$10.2 million in capital expenditures for the six months ended June 30, 2025 mainly comprised of \$4.9 million for the construction of the new permanent magnet facility in Europe.
- For the six months ended June 30, 2025, Neo distributed \$6.1 million in dividends to Neo's shareholders and repurchased \$2.3 million of common shares for cancellation, which began on June 11, 2025.
- A quarterly dividend of CAD\$0.10 per common share was declared on August 7, 2025, for shareholders of record on September 16, 2025, with a payment date of September 26, 2025.

Solid Business Performance

- **Magnequench:** Delivered a strong second quarter of 2025, with volumes up 30.9% and Adjusted EBITDA improving by 23% over the same quarter last year. The solid performance was driven by continued execution in strategic growth areas, including bonded magnets and bonded powders in traction motor applications, as well as increased demand as customers built inventory reserves in response to supply concerns and geopolitical risks. Magnequench continues to capitalize on key growth areas while optimizing its cost structure through a reduction in conversion cost, driving improved profitability.
- Key news and highlights this quarter include:
 - Magnequench advances European magnetism strategy with new award and facility milestones - additionally securing a new supply platform in July 2025.
 - Bonded Magnets and Powders quarterly volumes up 36% and 30%, respectively, from the prior year.
 - Adjusted EBITDA of \$7.6 million and \$14.2 million, respectively, for the three and six months ended June 30, 2025 was up 23% and 16% versus the same periods last year.
- **C&O:** Delivered substantial gains in the second quarter of 2025 with Adjusted EBITDA improving by 105% over the same quarter last year. With the completion of C&O's new emissions control catalyst facility and the sale of the Chinese separation facilities in March 2025, C&O is well positioned for continued success.

- Key news and highlights this quarter include:
 - Emissions catalyst volumes for the quarter were up 11% from the prior year, which reflects substantial progress towards management's target of double-digit growth as previously laid out.
 - Wastewater treatment volumes for the quarter were up 23% from the prior year.
 - Continued progress on heavy rare earth separation pilot line in Europe, remaining on budget and on schedule with construction underway.
 - Adjusted EBITDA of \$5.4 million and \$12.3 million, respectively, for the three and six months ended June 30, 2025 was up 105% and 441% compared to the same periods last year.
- **Rare Metals:** Delivered ahead of expectations, the business continues to deliver strong operational execution and financial performance across all of its facilities, while benefiting from market tailwinds across many of its critical material products amid rising geopolitical tension.
- Key news and highlights this quarter include:
 - Hafnium volumes continued to grow with strong end market demand, combining with further tailwinds driven by increased U.S. tariffs, causing customers to accelerate purchases and build inventory. This was offset by lower prices and margins as hafnium prices have now retreated from previous all-time highs.
 - The gallium business continues to see strong demand and higher prices amidst regulatory tailwinds. Neo continues to be the only gallium recycler and upgrader in North America.
 - Adjusted EBITDA of \$10.8 million and \$19.4 million, respectively, for the three and six months ended June 30, 2025 was up 22% and 8% versus the same periods last year.

Neo continues to demonstrate robust growth and strategic advancements in the second quarter of 2025. With significant improvements in Adjusted EBITDA across all segments, successful completion of major projects, and new contracts secured, Neo is well-positioned for the rest of 2025. Looking ahead, the Company remains committed to leveraging its global supply chain, driving innovation, and delivering value to stakeholders.

Conference Call

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

Webcast / Conference Call Details:

Date: Tuesday, August 12, 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 the Company's website 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”, “Free Cash Flow conversion”, “Net Debt”, 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 presentation 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 six months ended June 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 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.

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 presentation 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 fan motors and superalloys; expectations regarding the growth of superconductor materials; anticipated completion and launch of Neo's new PM facility in Europe and related commercial production estimates, forecasted budget, commissioning and costs associated with the facility; targeted reductions in SG&A; Neo's requalified product portfolio, including the NAMCO product portfolio, and continued product qualification expected in 2025; anticipated final costs associated with the NAMCO project; expectations regarding tariffs and export controls; securing new automotive customer agreements for PM and emissions control 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, including Neo's 2025 Adjusted EBITDA 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 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. 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 presentation, 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 restrictions; securing new automotive customer agreements for PM and emissions control 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 Neo's continuous disclosure filings available under its profile at www.sedarplus.ca. Information contained in forward-looking statements in this presentation 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 SECOND QUARTER 2025 CONSOLIDATED PERFORMANCE

(\$000s, except per share information)

	Three Months Ended June 30,		Six Months Ended June 30	
	2025	2024	2025	2024
Revenue				
Magnequench	\$ 50,468	\$ 42,096	\$ 94,740	\$ 87,576
C&O	29,443	34,478	76,944	74,991
Rare Metals	35,948	31,909	68,653	69,187
Corporate / Eliminations	(1,159)	(1,435)	(4,027)	(2,110)
Consolidated Revenue	\$ 114,700	\$ 107,549	\$ 236,310	\$ 229,644
Operating Income (Loss)				
Magnequench	\$ 1,611	\$ 2,257	\$ 3,504	\$ 5,641
C&O	3,959	198	9,687	(1,906)
Rare Metals	10,127	8,573	18,278	17,373
Corporate / Eliminations	(7,487)	(5,204)	(13,670)	(9,336)
Consolidated Operating Income	\$ 8,210	\$ 5,824	\$ 17,799	\$ 11,772
Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")				
Magnequench	\$ 7,558	\$ 6,168	\$ 14,217	\$ 12,280
C&O	5,439	2,651	12,282	2,271
Rare Metals	10,756	8,786	19,397	18,024
Corporate / Eliminations	(4,785)	(4,213)	(9,794)	(8,423)
Consolidated Adjusted EBITDA	\$ 18,968	\$ 13,392	\$ 36,102	\$ 24,152
Net Earnings	\$ 5,688	\$ 883	\$ 4,301	\$ 1,732
Earnings per share attributable to equity holders of Neo				
Basic	\$ 0.14	\$ 0.02	\$ 0.10	\$ 0.04
Diluted	\$ 0.13	\$ 0.02	\$ 0.10	\$ 0.04
Cash spent on property, plant and equipment and intangible assets	\$ 8,889	\$ 10,677	\$ 20,317	\$ 26,656
Cash taxes paid	\$ 2,960	\$ 5,790	\$ 8,166	\$ 13,303
Dividends paid to shareholders	\$ 3,159	\$ 3,127	\$ 6,080	\$ 6,211
Dividend paid to Buss & Buss minority shareholder	\$ —	\$ —	\$ 7,343	\$ —
Repurchase of common shares under Normal Course Issuer Bid	\$ 2,342	\$ —	\$ 2,342	\$ 2,250
As at:			June 30, 2025	December 31, 2024
Cash and cash equivalents			\$ 80,343	\$ 85,489
Short-term debt, bank advances & other			\$ —	\$ 2,740
Current & long-term debt			\$ 93,595	\$ 68,796

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>Unaudited; (\$000s)</i>	June 30, 2025	December 31, 2024
ASSETS		
Current		
Cash and cash equivalents	\$ 80,343	\$ 85,489
Accounts receivable	83,11	61,232
Inventories	146,69	139,321
Income taxes receivable	6,53	4,108
Assets held for sale	-	40,949
Other current assets	18,65	22,389
Total current assets	335,342	353,488
Property, plant and equipment	190,31	178,925
Intangible assets	31,96	33,580
Goodwill	64,77	64,029
Equity method investments	16,705	16,330
Other investments	3,154	217
Deferred tax assets	3,87	4,045
Other non-current assets	6,34	2,640
Total non-current assets	317,130	299,766
Total assets	\$ 652,472	\$ 653,254
LIABILITIES AND EQUITY		
Current		
Short-term debt	\$ —	\$ 2,740
Accounts payable and other accrued charges	66,556	69,546
Income taxes payable	13,42	10,463
Provisions	58	12,512
Lease obligations	1,04	1,229
Derivative liability	50,01	47,416
Current portion of long-term debt	4,493	4,610
Liabilities directly associated with the assets held for sale	-	10,254
Other current liabilities	311	647
Total current liabilities	136,41	159,41
Long-term debt	89,102	64,186
Derivative liability	1,436	1,311
Provisions	6,63	6,726
Deferred tax liabilities	9,98	12,646
Lease obligations	3,07	3,244
Other non-current liabilities	71	842
Total non-current liabilities	110,95	88,955
Total liabilities	247,370	248,372
Non-controlling interest	50	2,714
Equity attributable to common shareholders	404,59	402,168
Total equity	405,102	404,882
Total liabilities and equity	\$ 652,472	\$ 653,254

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

CONSOLIDATED RESULTS OF OPERATIONS

(\$000s)	Three Months Ended June 30,		Six Months Ended June 30	
	2025	2024	2025	2024
Revenue	\$ 114,700	\$ 107,549	\$ 236,310	\$ 229,644
Cost of sales				
Cost excluding depreciation and amortization	78,770	78,250	167,651	172,998
Depreciation and amortization	2,019	2,004	3,940	3,934
Gross profit	33,911	27,295	64,719	52,712
Expenses				
Selling, general and administrative	16,326	14,605	31,634	29,247
Share-based compensation	3,513	1,476	4,449	1,380
Depreciation and amortization	1,725	1,876	3,506	3,604
Research and development	4,137	3,307	7,331	6,502
(Reversal of impairment) / impairment of assets	—	207	—	207
Total expenses	25,701	21,471	46,920	40,940
Operating income	8,210	5,824	17,799	11,772
Other income (expense)	24	(86)	(4,688)	3,593
Finance cost, net	(5,717)	(1,572)	(11,790)	(2,912)
Foreign exchange gain (loss)	4,700	(544)	8,485	(1,266)
Income from operations before income taxes and equity income of associates	7,217	3,622	9,806	11,187
Income tax expense	(1,599)	(3,042)	(5,955)	(7,383)
Income from operations before equity income of associates	5,618	580	3,851	3,804
Equity income of associates (net of income tax)	70	303	450	(2,072)
Net income	\$ 5,688	\$ 883	\$ 4,301	\$ 1,732
Attributable to:				
Common shareholders	\$ 5,772	\$ 859	\$ 4,292	\$ 1,732
Non-controlling interest	(84)	24	9	—
	\$ 5,688	\$ 883	\$ 4,301	\$ 1,732
Earnings per share attributable to common shareholders:				
Basic	\$ 0.14	\$ 0.02	\$ 0.10	\$ 0.04
Diluted	\$ 0.13	\$ 0.02	\$ 0.10	\$ 0.04

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

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

Unaudited; (\$000s, except volume)	Three Months Ended June 30,		Six Months Ended June 30	
	2025	2024	2025	2024
Sales volume (tonnes)	3,366	3,138	6,691	6,220
Revenue	\$ 114,700	\$ 107,549	\$ 236,310	\$ 229,644
Net income	\$ 5,688	\$ 883	\$ 4,301	\$ 1,732
Add back:				
Finance costs, net	5,717	1,572	11,790	2,912
Income tax expense	1,599	3,042	5,955	7,383
Depreciation and amortization included in cost of sales	2,019	2,004	3,940	3,934
Depreciation and amortization included in operating expenses	1,725	1,876	3,506	3,604
EBITDA	16,748	9,377	29,492	19,565
Adjustments to EBITDA:				
Other (income) expense	(24)	86	4,688	(3,593)
Foreign exchange (gain) loss	(4,700)	544	(8,485)	1,266
Equity (income) loss of associates	(70)	(303)	(450)	2,072
Share-based compensation	3,513	1,476	4,449	1,380
Project start-up and transition costs	3,501	2,005	6,408	3,255
Impairment of assets	—	207	—	207
Adjusted EBITDA	\$ 18,968	\$ 13,392	\$ 36,102	\$ 24,152
Adjusted EBITDA Margin	16.5%	12.5%	15.3%	10.5%
Less:				
Capital expenditures	\$ 3,403	\$ 18,571	\$ 10,233	\$ 36,048
Free Cash Flow	\$ 15,565	\$ (5,179)	\$ 25,869	\$ (11,896)

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

RECONCILIATIONS OF NET INCOME TO ADJUSTED NET INCOME

(\$000s)	Three Months Ended June 30,		Six Months Ended June 30	
	2025	2024	2025	2024
Net income	\$ 5,688	\$ 883	\$ 4,301	\$ 1,732
Adjustments to net income:				
Foreign exchange (gain) loss	(4,700)	544	(8,485)	1,266
Impairment of assets	—	207	—	207
Share-based compensation	3,513	1,476	4,449	1,380
Project start-up & transition costs	3,501	2,005	6,408	3,255
Other items included in other expense (income)	20	158	4,828	(2,890)
Tax impact of the above items	(267)	(22)	(99)	694
Adjusted net income	\$ 7,755	\$ 5,251	\$ 11,402	\$ 5,644
Attributable to:				
Common shareholders	\$ 7,839	\$ 5,227	\$ 11,393	\$ 5,644
Non-controlling interest	(84)	24	9	—
Weighted average number of common shares outstanding:				
Basic (000s)	41,838	41,752	41,806	41,792
Diluted (000s)	43,257	42,343	43,186	42,430
Adjusted earnings per share attributable to common shareholders:				
Basic	\$ 0.19	\$ 0.13	\$ 0.27	\$ 0.14
Diluted	\$ 0.18	\$ 0.12	\$ 0.26	\$ 0.13

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