FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1. Name and Address of Company

Neo Performance Materials Inc.
121 King St West, Suite 1740
Toronto, Ontario M5H 3T9

ITEM 2. Date of Material Change

May 20, 2026

ITEM 3. News Releases

A press release in the form attached hereto in Schedule A was disseminated on May 20, 2026 via Globe Newswire news service and subsequently filed on the System for Electronic Document Analysis and Retrieval+ (www.sedarplus.ca).

ITEM 4. Summary of Material Change

Neo Performance Materials Inc. ("**Neo**", or the "**Company**") (TSX: NEO) announced that it has entered into an agreement with a syndicate of underwriters led by BMO Capital Markets, under which the underwriters have agreed to buy on a bought deal basis 3,480,000 common shares (the "**Common Shares**"), at a price of C$28.75 per Common Share for gross proceeds of approximately C$100 million (the "**Offering**"). The Company has granted the underwriters an option, exercisable at the offering price for a period of 30 days following the closing of the Offering, to purchase up to an additional 15% of the Offering to cover over-allotments, if any, and for market stabilization purposes. The Offering is expected to close on or about May 28, 2026 and is subject to Neo receiving all necessary regulatory approvals, including the approval of the Toronto Stock Exchange.

The net proceeds of the Offering will be used for equipment and automation at the Company's European facilities, expansion of the bonded magnetics business and general corporate purposes.

The Common Shares will be offered by way of a prospectus supplement to the Company's short form base shelf prospectus dated May 20, 2026, in all of the provinces of Canada other than Quebec, and may also be offered by way of private placement in the United States.

ITEM 5. Full Description of Material Change

5.1 Full Description of Material Change

See Schedule A attached hereto.

5.2 Disclosure for Restructuring Transactions

Not applicable.

ITEM 6. Reliance on subsection 7.1(2) of National Instrument 51-102

This report is not being filed on a confidential basis.

ITEM 7. Omitted Information

No information has been omitted from this report.

ITEM 8. Executive Officer

The following officers may be contacted for further information:

Investor Requests:

Jim Fitzpatrick
SVP, Investor Relations & Communications
(416) 367-8588 ext. 7318
email: ir@neomaterials.com

Media Requests:

Vasileios Tsianos
SVP, Corporate Development
(416) 367-8588 ext. 7335
email: media@neomaterials.com

ITEM 9. Date of Report

This report is dated the 21st day of May, 2026.

SCHEDULE A

NEO PERFORMANCE MATERIALS ANNOUNCES C$100 MILLION BOUGHT DEAL TREASURY OFFERING OF COMMON SHARES

The base shelf prospectus is accessible, and the prospectus supplement will be accessible within two business days through SEDAR+

Not for distribution to U.S. news wire services or dissemination in the United States.

TORONTO, May 20, 2026 (GLOBE NEWSWIRE) -- Neo Performance Materials Inc. ("**Neo**" or the "**Company**") has announced today that it has entered into an agreement with a syndicate of underwriters led by BMO Capital Markets, under which the underwriters have agreed to buy on a bought deal basis 3,480,000 common shares (the "**Common Shares**"), at a price of C$28.75 per Common Share for gross proceeds of approximately C$100 million (the "**Offering**"). The Company has granted the underwriters an option, exercisable at the offering price for a period of 30 days following the closing of the Offering, to purchase up to an additional 15% of the Offering to cover over-allotments, if any, and for market stabilization purposes. The Offering is expected to close on or about May 28, 2026 and is subject to Neo receiving all necessary regulatory approvals, including the approval of the Toronto Stock Exchange.

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The securities offered have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any U.S. state securities laws, and may not be offered or sold in the United States absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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, Estonia, China, Germany, 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, expectations regarding certain of Neo's future results and information, expected use of cash balances, continuation of prudent management of working capital, source of funds for ongoing business requirements and capital investments, and other risks present in the jurisdictions in which Neo, its customers, its suppliers, and/or its logistics partners operate. 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 is 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.

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.

Information Contacts

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